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The North Korean Deathwatch Intensifies

Question of Collapse Is When, Not Whether

By Mary Jordan
Washington Post Service

SEOUL — Many of the 24 million people in North Korea do not have enough food, or heat or electricity to light their homes. As many as 200,000 are believed to be doing hard labor under harsh conditions in political prison camps.

Among the offenses in the Communist state that are punishable by execution are criticizing its "Great Leader" and listening to foreign broadcasts.

This is what it is like at springtime in the world's most reclusive country, according to the U.S. State Department's new human rights report on North Korea and U.S. military intelligence sources.

Meanwhile, here on the southern side of the electrified barbed-wire fences that divide this peninsula, one of the world's most successful economies is booming. Restaurants are teeming, shopping is increasingly luxurious, and some people while away time in traffic jams using cellular phones to make travel plans.

As North Korea grows poorer and South Korea richer, the discussion has moved beyond whether the regime in Pyongyang is sustainable. The speculation now is about how it will end.

General Gary Luck, commander of the 37,000 U.S. soldiers in South Korea, recently told a congressional subcommittee that as North Korea's economic crisis deepens, "The question is not: Will this country disintegrate? But rather how will it disintegrate, by implosion or explosion? And when?"

Will the "Great Leader" Kim Jong Il, a reported aficionado of cognac, fast cars and movies, cut his losses and hop a military jet to Switzerland? Will there be a coup as hungry and resentful military subordinates punish Mr. Kim and the system that has brought their country to such straits? Will North Korean border guards start defecting and allow hungry farmers a safe route to flee south?

Or, as Americans and South Koreans fear most, will the North shoot its way out?

The nightmare scenario is that North Korea, which spends a quarter of its gross domestic product on its military, will not want that investment to go to waste.

On Friday, South Korea put its armed forces on a heightened state of alert following threatening new behavior by the North Koreans. (Page 4)

Already North Korea's old-model Soviet tanks and artillery are no match for the sophisticated technological weaponry of the joint U.S.-South Korean forces on this side of the world's most heavily armed border.

Even so, if the North launched an all-out attack, no one doubts that many people — including American troops stationed along the border — would die from their missiles in a matter of hours.

Military officials in Seoul say the outcome of a war would never be in doubt: North Korea would lose its very existence on the battlefield, but a significant loss of human life is not a price Washington or Seoul wants to pay.

With so much at stake, Seoul is a city abuzz speculating on when the collapse might come, and whether it will be a gradual meltdown or a sudden Berlin Wall-style crash.

Those wagering on imminent demise point to the widespread malnutrition that some experts predict will peak this summer. Those who predict the end is still a way off insist the state is very much in control.

The North Korean death watch here is

See KOREA, Page 5

Ahn Young Joon/The Associated Press

South Korean troops patrolling the border. Allied forces are on a heightened state of alert.

Job Growth In the U.S. Kills Hopes For Rate Cut

Steady Expansion Confirms an End to Last Year's Doldrums

By Lawrence Malkin
International Herald Tribune

NEW YORK — The U.S. economy created 140,000 jobs in March, the government reported Friday, pointing to a path of steady expansion that almost certainly kills any chance of lower interest rates this year.

Any suspicion that the astounding job growth reported for February had been a false positive was dispelled by the figures for last month, which were two to three times higher than expected.

But the unemployment rate inched up, to 5.7 percent from 5.6 percent, as more Americans went looking for work after winter storms in January.

With the number of new jobs in February revised only slightly downward, to 637,000 from the 705,000 originally reported, the economy has created an average of 206,000 jobs a month during the first quarter of 1996 — about 60,000 more than the monthly average for last year. These figures indicate an end to last year's drag on the economy from high inventories, a turn that has already been confirmed by a rise in consumer spending this quarter equivalent to an annual rate of 4 percent.

While a strike that crippled General Motors led to the loss of 62,000 manufacturing jobs last month, service jobs are taking up the slack. David Kelly, an economist at Lehman Brothers, predicted that such job growth would lead to a "balanced expansion," one that would not force the Federal Reserve Board to overreact with sharply higher rates.

Nevertheless, the bond market quickly marked down prices, which pushed interest yields to seven-month highs. The benchmark 30-year Treasury bond's yield rose to 6.84 percent from 6.66 percent on Thursday. The yield on two-year notes rose to 6.04 percent from 5.83 percent. Those higher rates helped lift the dollar. (Page 10)

Stock markets were closed, and trading in bonds and currency was severely restricted by the long Easter weekend. In Europe all markets were closed, while in New York skeleton staffs of bond traders acted almost entirely defensively during a curtailed morning session that one described as "two minutes of terror and two hours of boredom."

Some traders jacked up prices because they leaped to the conclusion that the Fed, after a cycle of loosening credit that began in July, would tighten central bank rates at the next regular meeting of its policy-making committee, on May 21. But the consensus was that the Fed would not need to do so because other higher rates would already be enough to rein in sales of housing and automobiles and prevent an overheating of the economy.

"I don't think the Fed would admit they made a mistake in lowering rates this winter by raising them now," said Wayne Angell, a former Fed vice chairman who is now chief economist for Bear, Stearns.

"Anyway, the bond market is doing the job already."

Analyzing the labor market, Mr. Kelly said manufacturing employment had probably leveled off, and that job growth would also be checked by consolidation in the banking industry and reorganization of the overextended retail sector.

"As the economy becomes more complex, most of the job growth is coming from small firms," he said. "They are closer to the market and less likely to be overstaffed, which makes the economy less subject to cyclical shocks. It means that when companies have to cut back, they are not stuck with these huge payrolls that have to be cut by 15 percent, but more likely can get away with 5 percent cuts.

"That should make for steady growth this year," he concluded, "although next year may be a close call."

Brother's Tip to FBI Was Long in Coming

Hard Choice for Bomber Suspect's Family

By David Johnston
New York Times Service

WASHINGTON — The tip came the way the FBI had long expected, from a family member with misgivings. But the search for the man who investigators believe is the Unabomber still had months to go, first as a deeply torn family struggled with its loyalties and then as an elite team of agents camped for weeks in the Montana snows.

And even now the case is far from finished, according to law enforcement officials.

With the arrest in Montana of Theodore J. Kaczynski, hundreds of agents, held back in recent weeks for fear of tipping their hand to a fugitive who had eluded them for 17 years, are fanning out to airports, bus stations, homeless shelters and universities across the country. They are trying to fill the many blanks in the mysterious life of Mr. Kaczynski, a Harvard-educated recluse.

The tip that led to his arrest arrived in a mysterious fashion, investigators said. When Mr. Kaczynski's brother, David, of Schenectady, New York, first approached the FBI early this year, his initial contact was veiled. As described by federal officials supervising the investigation, David Kaczynski, who also attended Harvard and who in 1971 helped his brother purchase the Montana property, grew suspicious late last year that his brother might be the author of the Unabomber's published 35,000-word manifesto.

David Kaczynski combed old family papers, finding what he feared might exist — copies of letters dating to the 1970s that were written by his brother to newspapers to protest the abuses of technology. The sentiments were reminiscent of what David Kaczynski had read in the Unabomber manuscript.

But it was not until January that a lawyer for the family telephoned the FBI in Washington.

"The lawyer was nervous," an official recalled. The lawyer described the situation without revealing either brother's

Typewriter in cabin appears to be Unabomber's, official says, Page 3.

See EVIDENCE, Page 3

Corinne Dufka/Reuters

HOLDING ON IN RWANDA PRISONS — Inmates looking out from a dormitory in Gitarama Prison in Kigali. In Brussels, the relief group Doctors Without Borders said about 70,000 prisoners were being held in "deplorable conditions" in Rwanda and called for the prosecution of war crimes to be accelerated.

Faulty AIDS Test Spreads Anxiety Among Thousands in Europe

Reuters

LONDON — Thousands of people across Europe who were cleared of having the HIV virus that causes AIDS will face an anguished wait for new checks after the withdrawal of a test kit found to be unreliable.

The British Health Department said Friday that a "small proportion" of people who are HIV positive were falsely given negative results in the test made by a Chicago-based drug company, Abbott Laboratories Inc. In all, 20,000 people will have to be retested, the department said.

About 2 million of the HIV tests have been sold worldwide since July 1995.

A spokesman for Abbott Laboratories said the company had stopped selling the test on March 25 after at least four cases were reported in which it showed negative readings for the antibodies in patients known to have the human immunodeficiency virus that causes AIDS. The company said it was investigating the reasons for the discrepancies, and that other tests it produces were not affected.

On Friday, the Netherlands Health Ministry ordered that the AIDS test be withdrawn and said that about 50,000 Dutch people would need to have their tests redone. The ministry said that blood banks in the country had never used the test.

In Germany, the state of Hesse said about 650,000 of the test kits had been sold in the country. Hesse's health minister, Margarethe Nimsch, said that blood donor services would have to retest blood in banks and that institutions that had used the Abbott product would have to retest the patients concerned as soon as possible.

The Italian Health Ministry ordered the seizure of the tests as a precaution from about 500 health centers where it had been available since October.

In London, Nick Partridge of the Terence Higgins Trust, an AIDS charity, said the faulty test would cause anguish for many people.

"The tragedy for all of these individuals who have gone for testing, been reassured that they are negative, is that the tension that surrounds going for a test will come back to them because they will be unsure of their negative result," he told BBC radio.

"A small handful of people will have been given a negative result when they are in fact infected by HIV," he said.

The British National Health Service had been using the test — IM HIV-1/HIV-2 3rd Generation — for six months.

"There is no reason to doubt the validity of any HIV test result before September nor the vast majority of HIV test results since then," a government spokesman said.

AGENDA

Bosnia Frees Serbs

PALE, Bosnia-Herzegovina (Reuters) — The Muslim-led Bosnian government freed 18 Serbs from jail in Sarajevo on Friday after international mediators threatened to block reconstruction aid to former warring factions if they failed to release remaining detainees. The government took the prisoners to Pale, in Serbian territory.

Daylight Time Begins in U.S.

Most of the United States and Canada switches to daylight time on Easter Sunday, with clocks being turned ahead one hour at 2 A.M. in each time zone across North America. Daylight time will remain in effect until Oct. 27.

Opinion Page 8. Crossword Page 4.
Books Page 6. Sports Page 16.

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Russian Communists Plan a Leap Back

By Michael R. Gordon
New York Times Service

MOSCOW — In a stark expression of what they hope to achieve if they take back power, Communist members of Parliament have prepared a draft law that calls for heavy state intervention in the economy.

The proposed law would curtail pro-market reforms and reject some key measures Russia has adopted at the insistence of the International Monetary Fund, which recently granted Russia a $10.1-billion loan.

Some aspects of the bill, which has not yet been made public, read like an evocation of the workers' paradise promised by the Bolsheviks 70 years ago: guaranteed employment, cheap apartments and price controls on consumer goods.

It would even restore a State Planning Committee, an echo of the Gosplan agency that controlled virtually every facet of economic life in the old Soviet Union.

Prepared by a leading Communist policy team, the plan may yet be modified as the election team of Gennadi Zyuganov tries to mold it into a platform that can be sold to non-Communists as well as the party's rank and file.

Trying to strike a pragmatic note, Yuri Maslyukov, the Communist chairman of the Parliament's Committee for Economic Policy, said the draft law was just one possible proposal.

"I won't criticize it in this particular case," he said in an interview. "I think this proposal is premature." But ardent Communists, who constitute much of Mr. Zyuganov's constituency, said the plan was needed to restore social protections and pull Russian industry out of a state of "crisis."

Oleg Malyarov, one of the advisers who worked on the draft law, said it could serve as "the specific embodiment" of Mr. Zyuganov's promises.

And though the Communists are debating among themselves how far and how fast to push, much of the draft law appears to reflect a broad consensus within the party about how to overhaul Russia's economy.

The draft law comes at a time of rising political expectations among the Com-

See RUSSIA, Page 5

David Brauchli/AP

A Russian skinhead attending an election rally on Friday in Moscow.

Palm Branches and Crucifixion: Fresh Insight for Old Symbols

By Ethan Bronner
The Boston Globe

JERUSALEM — For many people, the palm branches displayed on Palm Sunday are a touch of the Holy Land early in spring, a sign that Easter is only a week away and a reminder that the original followers of Jesus welcomed him to Jerusalem with just such foliage and cries of "Hosanna!"

But some biblical scholars have been putting forth a new theory about those palm branches: They were a conscious symbol of Jewish nationalism and resistance to Roman occupation, and Jesus of Nazareth was seen by many of his fellow Jews not only as a spiritual savior but also as a political one.

Local coins from Jesus' day that show a palm branch stamped in protest over the image of the Roman Emperor are among several clues that have led researchers to believe that the branches had a significance not mentioned in scriptural accounts of the entry of Jesus into Jerusalem.

The theory is one of many new ideas emerging from two decades of cooperation between Jewish and Christian scholars and from a new set of digs in and around the Old City of Jerusalem that will soon make a Christian pilgrimage here far more illuminating than ever before.

The roads and footpaths that Jesus very likely walked, the gardens and villages mentioned in the Scriptures, the enormous stones that once held up the temple where Jesus overturned the tables of money changers are all being unearthed and brushed off, making the palpable link with Christian history here more real and exciting — as well as more accurate.

Already this season, a first-ever exhibit on Roman crucifixion, including a pair of ankle bones with a spike through them — the only physical evidence of crucifixion still in existence — has gone on display, making clear that religious art portrays the punishment somewhat inaccurately.

Crucifixion took place on trees; the cross the prisoner had to bear was the crossbeam, not both vertical and horizontal parts, the exhibit at the Rockefeller Museum in East Jerusalem suggests. Moreover, the feet were likely nailed to the side, not the front, and the condemned may have had a saddle on the cross to sit on, keeping them conscious and in pain longer.

Much of the new thinking deals specifically with Jesus' last week.

"Jesus spent only one week in Jerusalem, his last week, but it takes up large portions of all the Gospels," said Dr. Jim Fleming, director of the Biblical Resources Study Center in Jerusalem. "A quarter of Luke, a third of Matthew and Mark and one half of John deal with that one week."

Dr. Fleming says that many of the new approaches to understanding scriptural references come from a more rigorous study of Jewish sources than Christian scholars had engaged in previously.

On a walking tour of the village of Bethpage on the Mount of Olives, where, according to all four

See SYMBOLS, Page 5

Clinton Approved Deal With Iran to Arm Bosnians

By James Risen
and Doyle McManus
Los Angeles Times Service

WASHINGTON — President Bill Clinton secretly gave a green light to covert Iranian arms shipments into Bosnia-Herzegovina in 1994 despite a United Nations arms embargo that the United States was pledged to uphold and opposition in Europe, according to senior administration officials and other sources.

Two senior U.S. diplomats, acting on instructions from the White House and the State Department, told President Franjo Tudjman of Croatia in early 1994 that the United States would not object to the creation of an arms pipeline that would channel the weapons through Croatia and into Bosnia for the Muslim forces fighting in the civil war.

The secret arrangement has left the administration in an awkward position. Among its allies and political critics, it could be open to charges of duplicity or a lack of candor on a major foreign policy issue.

More immediately, in Bosnia, the administration is now confronted with a clear strengthening of the Iranian influence it had tried to contain.

[The White House spokesman, Michael McCurry, asked Friday about the secret shipments, said, "The United States has always maintained that it upheld the letter of the law and the requirements of the UN Security Council resolution."]

According to the U.S. sources, Mr. Tudjman raised the idea of the secret shipments and asked what the American response would be. At the time, the United States was publicly committed to the arms embargo, and its allies in Europe were concerned that a weapons influx would escalate the conflict and lead to revenge attacks against their peacekeeping troops.

But after consultations with the national security adviser, W. Anthony Lake, and Deputy Secretary of State Strobe Talbott, the two U.S. diplomats, Charles Redman and Peter Galbraith, relayed to Mr. Tudjman that there would be no U.S. protest to the smuggling operation.

Specifically, the U.S. officials were told to say they had "no instructions" concerning Iranian arms shipments — a diplomatic way of saying the United States would not object. Mr. Clinton directly participated in the decision, a senior administration official said.

Thus opened a new chapter in U.S. policy toward Bosnia, one that has has had important consequences both for the combatants in the long-running war and for the other nations attempting to deal with it.

After the decision, Mr. Tudjman was free to allow the Iranians to launch large-scale arms transfers through Croatia. That effort continued until January of this year, even after 20,000 American troops began to be deployed as peacekeepers in Bosnia, administration officials said. The weapons helped fortify the badly outgunned Muslim force, as well the Croatians, who took a large cut of the shipments, until they were able to fight a better-armed Bosnian Serb army to a standstill.

The support also increased Iran's links with the Bosnians, which continue, ominously, to this day. Some Islamic fighters slipped in with the weapons and established operations.

Meanwhile, U.S. government officials not in on the secret policy shift were left in confusion. The CIA discovered the smuggling and came to wonder whether certain State Department and National Security Council officials were running an illegal covert operation, reminiscent of the Iran-contra affair, sources said. The director of central intelligence at the time, R. James Woolsey, took the evidence to the White House, prompting a top-secret, six-month investigation by the Intelligence Oversight Board, the small White House panel responsible for investigating wrongdoing in the intelligence community. It delivered a secret verdict of no law violations.

Elsewhere, speculation and grumbling spread, particularly in Europe, that the United States was somehow violating the embargo and reneging on its pledge to uphold it. The White House repeatedly denied facilitating arms shipments to the Bosnian Muslims, but never acknowledged its real role.

Clinton administration officials insist that the decision on the arms shipments was justified. The United States was always sympathetic to the Muslims, who bore the brunt of Serbian territorial aggression, and amenable to easing their plight short of violating the embargo.

Last 2 Bodies Are Found From Croatia Air Crash

With 35 Victims Removed, Inquiry Proceeds

By Daniel Williams
Washington Post Service

DUBROVNIK, Croatia — U.S. soldiers completed the grim task Friday of collecting the remains of Commerce Secretary Ron Brown and the 34 other fatalities from the crash of a U.S. Air Force passenger jet into a mountain here on Wednesday.

American and Croatian investigators sifted the mountainside wreckage to gather clues to why the plane missed the runway at the Dubrovnik airport.

Officials from both countries declined to make public information on hand about the plane's approach — in particular tapes of the last conversations between the plane's U.S. Air Force crew and Croatian ground controllers or radar recordings of the flight's path before it slammed into a peak about two miles from the runway.

Clear morning weather made easier the gathering of the bodies and the investigation, both of which had been hampered by clouds, wind and rainfall. Still, because the plane crashed on a steep, rocky slope, U.S. helicopters could land no closer than 300 yards from the debris and the last two bodies.

U.S. officials said that of the 35 dead, 33 were Americans, including members of Mr. Brown's staff, private business leaders, the crew and a correspondent for The New York Times.

The remains of the Americans were being transferred to aluminum coffins in preparation for transport back to the United States on Saturday. Final identification of the dead will take place in the United States.

Investigation into the crash was hampered by the lack of an onboard data recorder. For cost reasons, the Air Force T-43A, a military version of the Boeing 737, did not have one. That left a gap in the monitoring of the plane's final moments which investigators will try to fill by using the position of the debris at the crash site to determine such questions as the speed, angle of approach and whether the plane was ascending or descending at the moment of impact.

Yves Herman/Reuters

BRUSSELS VERDICT — Former Deputy Prime Minister Guy Coeme leaving court Friday after being given a two-year suspended sentence for receiving funds from a polling institute.

Old Technology Guided the Approach of Brown's Plane

By Don Phillips
and Bradley Graham
Washington Post Service

WASHINGTON — The crew of the U.S. Air Force plane carrying Commerce Secretary Ron Brown that crashed in Croatia was making a type of instrument-guided approach to the Dubrovnik airport that is difficult in the best of conditions and that could have been severely disrupted by the rain, wind and terrain conditions at the time.

Several airline pilots expressed surprise that the air force crew even tried the approach — using decades-old technology — under those conditions. A military source who saw a NATO plane's radar tracking tapes of the Air Force T-43A said it appeared to line up for a normal approach at a radio beacon about 12 miles (20 kilometers) from the airport, but then dropped below the altitude at which the NATO radar could precisely track it.

Little is known about the T-43A's path beyond that.

Several veteran airline pilots said that it would not be unusual to be off course by as much as the air force plane was when it crashed into a hill — about 1.8 miles — given the semi-precise nature of the nondirectional beacon and the poor weather.

The pilots said nondirectional beacon approaches would never be used by a pilot if more precise systems were available. One airline instructor said he teaches pilots to fly beacon approaches, and "then I say you're smart never to do that in bad weather."

In the United States, almost all airline passengers can assume they are landing at an airport with an instrument landing system, which tells a pilot precisely whether the plane is too low or high or is straying off course.

The Dubrovnik airport has only the nondirectional beacon, which is nothing more than a small radio station that sends out code signals that can be tuned into the plane's instruments. The pilot then must line up an arrow on an instrument called a radio magnetic indicator and carefully watch it, constantly adjusting the plane to line up on the arrow, sometimes adjusting its angle to compensate for winds.

The instruments will tell the pilot only where the beacon is located, not whether the plane is still on course.

Gusty winds can badly affect the plane's course, and rain can degrade the antenna's ability to pick up the signals.

If lightning is in the area, the arrow will point toward the lightning flashes, not the nondirectional beacon.

BRIEFLY EUROPE

Germans Rebuff U.S. on Reactor

MUNICH — Despite opposition from Washington, the German state of Bavaria has approved a nuclear research project that will use weapons-grade uranium, a German newsmagazine reported Friday.

Technical University, which will operate the $500 million reactor, will receive the first of three required permits in the next few days, Focus magazine said. Preparations for construction in Garching, a Munich suburb, will begin soon, it said.

U.S. officials have tried to persuade German authorities not to build the reactor, arguing it would hurt longstanding international efforts to prevent the proliferation of nuclear weapons. The Germans say they need the highly enriched, weapons-grade uranium for scientific research. *(AP)*

IRA Message 'Conciliatory'

LONDON — Cardinal Cahal Daly, spiritual head of Ireland's 4 million Catholics, on Friday said he saw a "conciliatory" side to an IRA Easter message in which the guerrilla group said it had a right to wage war against Britain.

In a statement issued in Dublin, the guerrilla leaders said: "The IRA, whose mandate for armed struggle derives from Britain's denial of the fundamental right of the Irish people to national self-determination and sovereignty, has made its position clear. We reaffirm that position." But the IRA also pledged willingness to help unconditional peace talks. This brought "some hope," Cardinal Daly said.

"Traditionally at Easter there is a belligerent statement, making no concessions and pledging victory," he told BBC radio. "This time it is notably different, and they do commit themselves to working for conditions that would make all-party talks, without preconditions, possible. And it is, I think, for an Easter message, reasonably conciliatory." *(Reuters)*

Creutzfeldt-Jakob Case in France

PARIS — France said Friday it had registered a case of the fatal human brain illness Creutzfeldt-Jakob disease similar to British cases but did not know if it was linked to "mad cow" disease.

The country's chief health officer, Jean-François Girard, said the case was comparable to those recorded in Britain, which said last month that there was a likely link between Creutzfeldt-Jakob and mad cow disease.

The Health Ministry said that no definite conclusion could be reached on the French case. But it added that, to ensure better studies in the future, Creutzfeldt-Jakob would be classified among illnesses that had to be declared to authorities. *(Reuters)*

Was Placenta Used for Fodder?

ZURICH — An inquiry opened Friday into revelations that human placenta was mixed with animal remains to make fodder for pigs and chickens.

Veterinary authorities in the canton of Zurich moved quickly to ban the practice after a Swiss German news program said that two Zurich maternity clinics had recycled hundreds of placentas yearly from women who had given birth. The practice had continued for several years, it said. *(AP)*

Italian Sentenced in Mafia Case

PALERMO, Sicily — A former top Italian police officer and spy chief, Bruno Contrada, 66, was found guilty Friday of having links to the Mafia and was sentenced to 10 years in jail.

A court here took eight hours to reach its verdict on Mr. Contrada, whom prosecutors had accused of being the Mafia's highest-placed spy and of covering the tracks of notorious bosses during their years on the run.

Mr. Contrada made no comment when the verdict was read out.

"Now we want all the ministers and undersecretaries who allowed Contrada's conduct to be condemned, too," Pietro Milio, lawyer for the former third-ranking official in the civil intelligence service, said after the ruling. Mr. Contrada was arrested in December 1992 on the evidence of seven Mafia turncoats. *(Reuters)*

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ *Kids Welcome. De Cuserstraat 3, S. Amsterdam* Info. 020-641 8612 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service. 6:30 p.m.Tel.: 62.24.31.18.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity. (Anglican/Episcopalian), 11 rue de la Buffa: Sunday Eucharist at 11 a.m.; Weekdays as on notice board. VENCE: St.Hughs, ave. de la Résistance: Sunday Eucharist at 9 a.m. Contact Father Ken Leis 93 67 19 83.

HOLLAND

ST. MARY'S ANGLICAN Rotterdam Easter eucharists 9:00 a.m. & 11:00 a.m. Pieter de Hoochweg 133.

KIEV

INTERNATIONAL CHRISTIAN ASSEMBLY (AOG). Sundays English 10:00, Bilingual 12:00 - 15 Khreshatik St., (3804) 244-3376.

MUNICH

INTERNATIONAL COMMUNITY CHURCH, Evangelical Bible Believing, services in English 4:30 p.m. Sundays at *Enhubeastr. 10 (U2 Theresienstr.)* (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. Early service and Sunday School - 9:45 a.m. Second service with Children's Church - 11:00 a.m. Rev. Scott Stearman. Call 47.51.29.83 or 47.49.15.29 for information.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense. 8 bd. de Neuilly. The Christian & Missionary Alliance. Sundays 9:30 a.m. Worship service in English. Sunday school for children. Bible study - Prayer groups - Evangelism - Discipleship - Marriage and Family counselling. Rev. Douglas Miller, Pastor. Tel.: 43.33.04.06. Métro 1 to Esplanade la Défense: Sortie Esplanade. At surface level, turn right, then first left toward UAP bldg. Ask at Orion Hotel.

SAINT JOSEPH'S CHURCH (Roman Catholic). Masses: Sunday: 9:45 & 11:00 a.m., 12:15 & 6:30 p.m.; Saturday: 11:00 a.m. & 6:30 p.m.; Monday to Friday: 8:30 a.m. 50, avenue Hoche, Paris 8th. Tel.: 42.27.28.56. Metro: Charles de Gaulle - Etoile.

ST. MICHAEL'S CHURCH (Anglican). 5 rue d'Aguesseau, 75008 Paris. Metro: Concorde/Madeleine.Tel.: 47.42.70.88. We invite you to our Easter Services: 10:30 a.m. Holy Communion 6:30 p.m. Holy Communion. A crèche is available for young children. Alleluia! Christ is risen indeed!

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

USA

If you would like a free Bible course by mail, please contact: L'EGLISE de CHRIST, P.O. Box 513, Staunton, Indiana 47881 U.S.A.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63, near Krauzplatz. Services conducted in English. Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33/1 47 20 17 92. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Ranz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 832 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School. Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS. Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Bible study 10.45, worship at 12.00 each Sunday. James Hellin, pastor. Tel.: 030-774-4670.

BONN/KÖLN

I.B.C. OF BONN/KÖLN, Rheinau Strasse 9, Köln. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel.: (02236) 47021.

BREMEN

I.B.C. (English language) meets at Evangelish-Freikirchich Kreuzgemeinde, Hohenlohestrasse Hermann-Bose-Str. (around the corner from the Bahnhof) sunday worship 17:00, Pastor Steve Sigh. Tel. 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper. Tel. 312 3660.

BUDAPEST

I.B.C., meets in Moricz Zsigmond Gimnazium, Torokvesz ut 48-54, Sundays. 10:00 Coffee Fellowship, 10:30 Worship. Take Bus 11 from Batthyany ter. Other meetings, call Pastor Bob Zbinden, Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

CELLE/HANNOVER

I.B.C., Windmulen Strasse 45, Celle 1300 Worship, 1400 Bible Study, Pastor James Wilson. Ph. (05141) 48416.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Sodenerstr. 11-18, 65150 Bad Homburg. A friendly, Christ-centered, church serving the English-speaking community. Sunday Worship, S.S. & Nursery 09:45. Weekday Groups. Pastor: M.P. Levey. Call 06173-62728.

BETHEL I.B.C. Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel.: 069-549559.

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KIEV

I.B.C. English Language Service. 10:00 at 3-a Tolstoga Str. (Metro same). Pastor Buddy Barnett, ph. 289-8149.

LISBON

I.B.C. Second Floor of Third Baptist Church, Rua Filipe Folque 36, 10:00 Bible Study, 11:00 Worship. Pastor Larry Ross. Tel.: 418-51138.

MOSCOW

I.B.C. Meeting 1100; Kino Center Building 15 DruzDruzhinnikovskaya UL 5th Floor, Hall 6, Metro Station Barrikadnaya Pastor Don Deal, Tel.: (095) 971 3558.

MUNICH

I.B.C. Holzstr. 9 English Language Services. Bible study 15:45. Worship Service 17:00. Pastor's phone: (089) 690 8534.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (093) 320 596.

PRAGUE

INTERNATIONAL BAPTIST FELLOWSHIP meets at the Czech Baptist Church Vinohradska # 68, Prague 3. At metro stop Jiriho Podebrad Sunday a.m. 11:00 Pastor: Al major, Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Worship 1400 at Swedish Church, Chaussee de Charleroi 2 across from McDonalds. Tel.: 065 225076.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

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AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (Across from Burger Hospital), Worship 11 a.m. w/Child care. Tel.: (069) 599478 or 512552.

GENEVA

EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

Hans Blumenberg, Philosopher, Is Dead at 75

The Associated Press

FRANKFURT — Hans Blumenberg, 75, one of Germany's most important postwar philosophers, died March 28 in Altenberge, near Münster, the Frankfurter Allgemeine Zeitung reported.

Born in Lübeck, he taught at several universities after the war before settling at the University of Münster in 1970, where he was a professor until 1985.

He published numerous books between 1960 and 1987, but his major works dealt with the spiritual situation of the postwar period. "The Legitimacy of Modern Times" in 1966, for example, turned against the Western traditionalism of the 1950s. "Work on the Myth," published in 1977, preceded the mythology wave of the '80s. The Frankfurter Allgemeine described his 1977 work, "The Genesis of the Copernican World," as "a fantastic anthropology of discovery."

He was awarded the Sigmund Freud Prize of the German Academy for Language and Literature in 1980.

V.L. Parsegian, 87, First Dean Of Engineering at Rensselaer

NEW YORK (NYT) — Vozcan Lawrence Parsegian, 87, a retired nuclear engineer, the first dean of engineering at Rensselaer Polytechnic Institute and a chronicler of Armenian architecture throughout history, died Tuesday in Troy, New York, where he lived.

A former research director for the Atomic Energy Commission in New York, Mr. Parsegian was enlisted by Rensselaer in 1954 as chairman of its engineering group and professor of nuclear engineering. In 1957, he became dean of the newly created school of engineering. Under his stewardship the school started a program of nuclear science and engineering and built a linear accelerator. He retired in 1975.

Howard Pyle Wyeth, 51, a rock drummer and jazz pianist best known for working with Bob Dylan in the mid-1970s, died Wednesday in New York City of cardiac arrest.

Siegfried Mynhardt, 87, a South African stage, film and television actor whose career spanned six decades, has died in Johannesburg of pneumonia.

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Cruise Ends Early As Liner Strikes Reef in Red Sea

Compiled by Our Staff From Dispatches

SHARM EL-SHEIKH, Egypt — An around-the-world cruise ended abruptly for 560 passengers aboard a Cunard luxury liner that struck a reef near Jordan in the northern Red Sea.

The liner, Royal Viking Sun, was towed Friday into the Red Sea port of Sharm el-Sheikh, and the passengers, including 351 Americans, began to disembark for flights home, said William Spears, a spokesman for Cunard Lines Ltd. of London.

The ship, which also carried a crew of 450, began taking on water after hitting the reef late Thursday in the Strait of Tiran, 150 kilometers (95 miles) from Aqaba. No one was injured, although a 73-year-old man suffering from kidney problems was airlifted Friday for hospital treatment, the police said.

A port official said technicians were inspecting the damage to the hull. The cruise began in Fort Lauderdale, Florida, in January, and was to have ended there on April 29. *(AP, Reuters)*

TRAVEL UPDATE

Kurds Warn Tourists on Turkey

BRUSSELS (AFP) — Kurdish separatists warned tourists on Friday to stay away from Turkey.

Zubeyir Aydar, of the Kurdistan parliament-in-exile, said if the Turkish military continued its campaign against Kurd villages the Kurds would retaliate, despite a unilateral cease-fire declared in December.

"If the war continues," he said, "the Kurds have the right to defend themselves. In that case there will be war in the mountains, the cities and at the tourist sites."

Czechs Find New Tomb in Egypt

CAIRO (Reuters) — Czech archaeologists working at Abu Sir south of Cairo have found the intact tomb of a nobleman from the 6th century B.C., an Egyptian official said on Friday.

The tomb contains the limestone sarcophagus and probably the mummified body of a man called Auf-aa, five boxes containing almost 400 figurines and rare examples of funerary furniture, the government newspaper Akhbar said.

The tomb was found at the bottom of a shaft, 22 meters (70 feet) underground.

After many centuries of tomb robbing, intact burials are a rarity in Egypt. The furniture will be of special interest because it does not survive outside the tomb.

Chinese airline passengers must now check in their pets using proper carriers instead of carrying them in the cabin, the Xinhua press agency said Friday, quoting the Civil Aviation Administration of China. *(Reuters)*

The opening of Bangkok's new $2 billion airport may be delayed past the year 2000 if the cabinet does not act quickly to approve a relocation plan for about 2,000 villagers living on the site, a project official said Friday. *(AP)*

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Brown Left 3 Big Fights Unfinished

High-Profile Player Led Policy Crusades

By David E. Sanger
New York Times Service

WASHINGTON — When Ron Brown died on a hillside near Dubrovnik, Croatia, he was in the thick of three battles here that touched the divergent roles he played in Washington.

The first was a continuing struggle in the administration — sometimes still heated three years after it began — over the degree to which U.S. commercial interests should drive foreign policy.

As commerce secretary, Mr. Brown often argued fiercely for what he called "commercial diplomacy," the use of America's clout abroad to create jobs at home — a stark counterpoint to the "high diplomacy" of the Cold War.

But there was always resistance, and many wonder whether, without Mr. Brown's high-profile circuiting of the globe, that approach will prove a permanent legacy of the Clinton administration or a curious experiment in policy-making.

The second battle was to save the Commerce Department itself from a Republican-dominated Congress that viewed it as a ripe target for disassembly or outright abolition. With his trademark passion, Mr. Brown called this "unilateral disarmament" in the face of Japanese and European competition, and was winning the argument. But without him, many in the administration say, the battle will be harder.

And the third battle centered on Mr. Brown's true passion in life: politics. His death deprives the Clinton administration of its most visible black cabinet member and its bridge to black voters, even though some prominent blacks were concerned that Mr. Brown was a bit too much of an insider too interested in compromise.

And at the weekly strategy sessions in the White House, Mr. Brown was just beginning to try again to work the magic that he performed as chairman of the Democratic National Committee: to energize both the left wing of the party, which has often been disillusioned by the Clinton administration, and the conservative, largely white middle class that has its own, very different reservations.

"You just don't find people who have feet planted so firmly in different camps the way Ron did, and who can bridge such yawning chasms," said Mickey Kantor, who worked side-by-side with Mr. Brown, managing the 1992 campaign and then again negotiating the intricacies of a new world of international trade as the U.S. trade representative. "There are some things in this world you just can't replace."

In the weeks before his death, Mr. Brown was playing down his behind-the-scenes role in preparations for the coming campaign, in part because the financial dealings that were under investigation effectively precluded him from any formal role in the campaign.

But it was hardly a secret that he had begun showing up at the small, weekly meetings at the White House of the president's closest political advisers.

The campaign and his job at the Commerce Department merged into one for Mr. Brown. And for him, the trade mission was the message, and the message was that the United States would no longer divorce its relationships around the world from the creation of jobs for Americans.

"We are the bridge between domestic and foreign policy," he said of the Commerce Department in December. "And what that means is that commercial interests are now on an equal par with security in the world of foreign policy."

But it was never quite that simple, as he acknowledged in his more candid moments. While Secretary of State Warren M. Christopher, Defense Secretary William J. Perry and Treasury Secretary Robert E. Rubin all uttered similar sentiments when the discussion was abstract, their institutions often fought back on hard cases.

During last year's face-off with Japan over automobile trade, the Pentagon and some in the State Department feared that threatening trade sanctions against an ally was an invitation to disaster.

And when President Bill Clinton goes to Tokyo later this month, it will be to emphasize the security relationship between the two countries and the common threats they face. Of course there will be the usual menu of trade complaints — restrictions on U.S. air routes across the Pacific and on the distribution of Kodak film — but they are being carefully managed so that they do not overwhelm the message of alliance.

On China, Mr. Brown would readily acknowledge that the United States had far broader interests than simply selling airplanes or telephone systems. But often he argued for toning down or delaying criticism of Beijing that might be likely to result in nothing but retaliation against U.S. business interests.

It was a pragmatic, jobs-in-America-first attitude. But in the mid-levels of the State Department and the Pentagon, Mr. Brown's position was frequently characterized as mercantilist, and some feared it would undercut America's moral authority around the world. But Mr. Brown and his defenders portrayed themselves as realists in the ongoing argument.

"There are a thousand issues that can arise in a post-Cold War world — human rights, the environment, corruption, overseas military bases — that if they are handled wrong will create great handicaps for the American economy," said Jeffrey Garten, his undersecretary for nearly three years. "And I think that if the result of his death is that the scales tip back to the way it was when the Clinton administration came into office, that would be a setback."

Typewriter in Montana Cabin Seems to Be Bomber's

The Associated Press

HELENA, Montana — A typewriter found in the mountain cabin of a former mathematics professor appears to have been used to produce the manifesto and letters sent by the Unabomber, a senior federal official said Friday.

The disclosure came as agents of the FBI and the Bureau of Alcohol, Tobacco and Firearms continued to search the cabin belonging to the suspect, Theodore J. Kaczynski.

They expect to spend several days at the cabin and a small outbuilding as they try to build a case that he is the person who has waged an 17-year campaign of bombings that killed 3 people and injured 23.

Two typewriters found at the remote site are still undergoing analysis in the FBI laboratory, but "it looks like the manifesto and the letters from the Unabomber were typed on this machine," according to the official in Washington, who declined to be named. "We'll know for sure after the detailed lab analysis."

The Unabomber's 35,000-word manifesto and letters to newspapers "were all typed on the same machine," the official said. "We believe he did that intentionally as a way for us to know the communications were authentic."

Experts can trace a document to a specific typewriter by studying minute variations in the positioning and shapes of letters, which change over time as typewriters wear.

The Unabomber's treatise on the inhumanity of industrial society was published last year by The New York Times and The Washington Post. The Unabomber promised to stop trying to kill if the treatise was published, and there have been no bombings since.

Mr. Kaczynski remained on Friday at the Lewis and Clark County Jail, where he has been held since his arrest Wednesday. Through his lawyer, a federal public defender, Michael Donahoe, he waived his right to a preliminary hearing and a quick bail hearing.

A preliminary hearing would be duplicative because the government intends to pursue an indictment from a grand jury, Mr. Donahoe said in his filing to the judge. As for bail, Mr. Kaczynski intends to await the conclusion of the grand jury before deciding whether to seek it.

A federal grand jury is to convene April 17 in Great Falls, Montana, a federal law enforcement official said.

A federal agent who spoke on condition of anonymity said the search of the small cabin was going slowly.

"We're not sure if it's booby-trapped," the agent said. "We have an explosives ordnance team X-raying everything before we touch it." Evidence already found in the cabin includes a partially assembled pipe bomb, chemicals and notes on making explosives, according to an affidavit by an FBI agent, Donald J. Sachtleben.

Ten three-ring binders were filled with "page after page of meticulous writings and sketches which I recognize to be diagrams of explosive devices," Mr. Sachtleben said. In addition, agents found galvanized metal, copper and plastic pipes, four of them with copper plates sealing one end, and chemicals that can be used to make bombs, he said.

Mr. Kaczynski has been under an around-the-clock suicide watch since he was brought to the jail here, said the Lewis and Clark County sheriff, Chuck O'Reilly. He said that such a move was normal in high-profile cases and that Mr. Kaczynski had shown no suicidal tendencies.

The suspect has been cooperative with jailers and spends much of his time pacing in his cell, Mr. O'Reilly said.

A key question in the case is still unanswered: How could Mr. Kaczynski, who was described by neighbors as going everywhere on foot or on an old bicycle, have mailed bombs from locations including San Francisco, Oakland and Sacramento, California, and Chicago?

Asked about the possibility of accomplices, a federal agent said: "This guy is a loner. He wouldn't work with someone else."

Another question is whether Mr. Kaczynski had the money to make such trips. A neighbor, Butch Gehring, said Mr. Kaczynski refused to say how he made a living, although he recalled that he said once that his cost of living had risen to $300 from $200 — a year.

EVIDENCE: *The Tip Came Slowly*

Continued from Page 1

er's name or the basis of the suspicions. "The brother was nervous," the official added, "wanting to protect and not to smear his brother's name if he wasn't guilty and not to hurt him if he was."

What followed was a delicate dance of persuasion. It took several more weeks to set up a meeting at an FBI office with the lawyer and David Kaczynski. Just before they met, additional writings were turned over that seemed to solidify the connection.

Still, the official said, the lawyer balked at identifying the letter writer or giving his whereabouts. But agents, having learned David Kaczynski's identity and schooling, had already begun checking his background.

"We had kind of figured, before he told us, who his brother was and that they both went to Harvard," the official said.

Officials said that they had no reason to believe that David Kaczynski was in any way involved in any wrongdoing or that he was driven to come forward by the $1 million reward — although, they added, he might be eligible to collect it.

Finally, the agents not only discovered Theodore Kaczynski's mountain cabin but also persuaded his mother to authorize a further search of the family's house in Lombard, Illinois, in mid-March.

Quickly then, postal investigators, FBI agents and explosive specialists, disguised as lumberjacks and other outdoorsmen, began slipping into Helena, Montana, and the hamlet of Lincoln 50 miles (80 kilometers) northwest.

The agents began striking up conversations with residents, hoping to learn more about the hermit in the cabin without tipping their hand. At the same time, a pair of snipers from the FBI's elite Hostage Rescue Team crept close to the cabin and staked it out for weeks, communicating with their commanders by encrypted radios.

They watched as Mr. Kaczynski sometimes emerged to tend his garden and retrieve provisions from his root cellar. But he never left his property. On Tuesday, 40 agents ended the surveillance, converging on his mountain home armed with a search warrant.

The officials said that Mr. Kaczynski tried to withdraw inside the cabin, but was restrained.

The search for clues will proceed primarily on two intensive tracks by agents from the FBI, the Bureau of Alcohol, Tobacco and Firearms and the Postal Inspection Service.

One will be a detailed examination of physical evidence that investigators can uncover from the wilderness cabin, seeking links to the mountainous pile of bomb fragments, writings and package scraps collected over the 17-year investigation into the bombing campaign.

Agents have preserved and catalogued evidence from each of the bomb scenes, as well as the bomber's written communications to victims and news organizations.

The other path of inquiry will focus on building what agents call an investigative profile that could provide links in time and place between Mr. Kaczynski and the bomber known until recently only through postmarks. Investigators said they were examining whether he traveled by bus in the days preceding the dates when bombs were mailed from cities far from Montana.

CBS News/The Associated Press

A TV photo showing David and Wanda Kaczynski, brother and mother of the Unabomber suspect, in their car.

U.S. Diplomats Settle Lawsuit On Race Bias

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The State Department has agreed to pay $3.8 million to compensate black foreign service officers who alleged they were denied advancement and career opportunities because of their race, and to grant retroactive promotions to 17 of them.

The agreement was a key part of a negotiated settlement that would end a federal lawsuit that has dragged on since 1986. Black diplomats charged they were given backwater assignments, denied promotions they deserved and unfairly driven out of the diplomatic corps.

As usually happens when such cases are settled by negotiation rather than trial, the State Department denied it had discriminated against the black diplomats because of their race. But it also agreed to revise its procedures to place more emphasis on work force diversity and train members of promotion panels to be more attentive to concerns of blacks.

In addition to the compensation fund and the retroactive promotions, the department agreed to reinstate four black junior officers who were dismissed after failing to win permanent positions and to pay $2.1 million in legal fees to lawyers who represented the black diplomats.

Despite years of affirmative action programs, the State Department remains a largely white institution. As of mid-1993, the foreign service consisted of 4,015 officers, of whom 87.6 percent were white and 6.7 percent black.

POLITICAL NOTES

For Dole, Really a Pig in a Poke

BAL HARBOUR, Florida — Senator Bob Dole knew what he wanted the moment he marched through the door of the local video store.

"Braveheart!" barked Mr. Dole, his familiar voice rasping through the hushed aisles of the nearly empty Blockbuster, where employees behind the counter suddenly understood why the store had been invaded by men wearing earpieces. "You haven't got 'Braveheart,' do you?"

They did have "Braveheart," or at least managed to dig one up from under the counter once the manager realized who it was that was asking for it.

That part of the story is clear. What was less so, at least initially, is what happened between the granting of Mr. Dole's request — "They got 'Braveheart!'" he announced happily to his wife, Elizabeth — and his departure from the store.

In that brief interval, "Braveheart," Mel Gibson's R-rated (restricted), bloody epic of a Scottish warrior, had become "Babe," the cuddly, G-rated (for general audiences) saga of a talking pig.

Firsthand information is scarce.

Mr. Dole's aides, who have become irritated with the press's efforts to chronicle the vacation of the probable Republican presidential nominee, had a Secret Service agent ask a reporter to leave the store while the Doles made their video selections.

But another customer inside, Tito Puente, 24-year-old son of the musician of the same name, reported afterward that Mr. Dole had a copy of "Babe" in hand by the time clerks nudged Mr. Puente out of line so they could serve the senator, standing behind him.

Associates of Mr. Dole's later explained that the "Braveheart" to "Babe" switch had occurred behind the video racks at the instigation of the senator's wife. "Braveheart" may have been named best movie of the year by the Academy Award voters and Pat Buchanan alike, but Mrs. Dole, the senator's associates said, thought it might not be a good idea for a candidate who had made such a splash criticizing Hollywood for depictions of violence to be seen leaving a video store with a film that has a fair share of them. *(NYT)*

Court Backs Clinton on Gays

RICHMOND, Virginia — A federal appeals court Friday upheld the Clinton administration's "don't ask, don't tell" policy for gays in the military, saying it was not the court's job to shove elected leaders aside and set military policy by itself.

In a 9-4 decision, the 4th U.S. Circuit Court of Appeals said courts "were not created to award by judicial decree what was not achievable by political consensus."

The court issued the ruling in the case of a former navy lieutenant, Paul Thomasson, who was dismissed from the navy last June after giving a letter to his commanding admiral stating, "I am gay."

The ruling, which upholds a lower court ruling against Lieutenant Thomasson, is the first time a legal challenge to the administration's policy has reached the federal appeals level. His lawyer, Allan Baron Moore, said an appeal is likely. *(AP)*

Quote/Unquote

Defense Secretary William J. Perry on the crash that killed Commerce Secretary Ronald H. Brown: "It was a classic sort of accident that good instrumentation should be able to prevent." *(NYT)*

Mrs. Clinton Promises to Help Nun in Guatemala Abuse Case

By Ann Devroy
Washington Post Service

WASHINGTON — Hillary Rodham Clinton has promised an American nun that the White House will get "appropriate documents" related to her abuse by Guatemalan military officials declassified and made public within six months, officials said.

The first lady made the pledge in a half-hour meeting Thursday with Dianna Ortiz, a 37-year-old Ursuline nun who reported in 1989 that she was kidnapped, raped and tortured in Guatemala by the country's security forces.

Sister Ortiz, protesting the U.S. government's lack of response to requests for information on her case, has been holding a silent vigil in Lafayette Park across from the White House.

A year ago, President Bill Clinton asked the Intelligence Oversight Board to investigate whether forces supported by the U.S. government had been involved and whether the United States was still paying those involved in her torture. Despite pledges from administration officials to speed the search for any classified material about her case and make it public, none has emerged.

An official said that Mrs. Clinton asked to meet Sister Ortiz because she "felt some personal concern for her." The nun has been keeping her vigil about 20 hours a day since Monday.

Her case is one of several involving allegations of murder, torture or other abuse of U.S. citizens in Guatemala in which CIA complicity has been charged. Jennifer Harbury, an American lawyer whose husband, a Guatemalan rebel leader, was killed by a death squad, has alleged CIA complicity in his killing.

Away From Politics

• **AIDS is rising among inmates** in the nation's largest jails and prisons, and most of them had the disease or carried the virus that causes it before being incarcerated, the Centers for Disease Control and Prevention reported in Atlanta. It said 5,279 prisoners had AIDS in 1994, or 5.2 cases per 1,000 inmates, almost six times the rate in the general adult population, which is 0.9 per 1,000. *(AP)*

• **Two Mexicans beaten** by two sheriff's deputies after a high-speed chase have filed a claim for more than $10 million against Riverside County in Los Angeles. Enrique Funes Flores and Santiago Garcia Pedroza said the deputies "recklessly, intentionally and wantonly" beat Mr. Funes with batons and threw Mr. Garcia to the ground. *(AP)*

• **A tanker spilled** more than 18,000 gallons of a chemical into the Gulf of Mexico near Port O'Connor, Texas, because someone opened the wrong valve, authorities said. The chemical, tetrachloroethylene, was released from the tanker Bow Sun in a shrimping area about 18 miles offshore, said the Coast Guard. *(AP)*

• **The space shuttle Atlantis** was cleared for a weekend ferry flight to Florida, a space agency spokesman said at Edwards Air Force Base in California. Its piggyback ride atop a Boeing 747 is expected to be completed in one day, with a refueling stop in Texas. *(AP)*

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Seoul Puts Its Forces on Heightened Alert

Compiled by Our Staff From Dispatches

SEOUL — South Korea put its military on a heightened state of alert Friday following North Korea's apparent dismissal of an armistice agreement.

Air, naval and ground patrols will be stepped up, the Defense Ministry said, and the number of troops on standby for an emergency will be increased.

But no major troop movements were involved, and a U.S. spokesman said most of the 37,000 American military personnel in South Korea would not be affected.

"It will have no impact on them, by and large," said Jim Coles, the spokesman for both American and United Nations forces in Seoul.

The move primarily affects military intelligence and other units assigned to watch for any buildup of North Korean troops and arms along the demilitarized zone separating the rival countries.

The Defense Ministry said it was stepping up intelligence-gathering activities immediately in conjunction with the U.S. and UN military command. But Mr. Coles described the move as "an incremental step" that involves more frequent and more intensive monitoring of the North Korean military.

Beyond that, neither the Defense Ministry nor the U.S. military would comment on specific measures, for security reasons.

North Korea announced Thursday that it would "give up its duty" of jointly controlling the demilitarized zone separating it from South Korea.

The North Korean People's Army did not explain what that meant.

It said that the action was in response to South Korea moving personnel, tanks, artillery and other heavy arms into the demilitarized zone in violation of the armistice. South Korea denies that.

The Defense Ministry in Seoul called the declaration by the North "an almost complete abrogation of the armistice, and different from its previous moves to discredit it."

"It looks as if North Korea is looking for an excuse to step up military provocation," the ministry said in its statement announcing the security upgrade.

South Korea upgraded its alert status to 3 from the lowest level of 4 in November after North Korea moved jet fighters closer to the border.

On Friday, it moved to status 2, the highest level since 1981.

The demilitarized zone was established by the armistice that ended the Korean War in 1953. The two countries never signed a permanent peace treaty and are still technically at war.

The U.S. State Department urged the North Koreans on Thursday "to abide by their responsibilities under the armistice and to avoid provocative actions."

Pyongyang announced its intention to withdraw from the armistice in 1994, a Pentagon official noted Friday, but the hard-line government has never followed through.

In Tokyo on Friday, Foreign Minister Yukihiko Ikeda and Prime Minister Ryutaro Hashimoto both expressed concern.

"It is not desirable for tension to grow in the Korean Peninsula situation," Mr. Ikeda said at a news conference. He called North Korea's announcement "very regrettable."

Mr. Hashimoto was quoted by Kyodo news agency as telling reporters the North's move was "very dangerous."

North Korea said its personnel and vehicles would no longer bear distinctive insignia and markings when entering the joint security area at Panmunjom and the demilitarized zone.

The South Korean Defense Ministry said that North Korean troops at Panmunjom stopped wearing arm bands shortly after the statement was issued, but that no other changes had been observed.

The North's declaration was seen as the latest step in a series of moves by North Korea aimed at forcing the United States to negotiate a peace treaty by proving the armistice ineffective.

(AP, AFP)

Lunch in Damascus: No Glasnost Served

Assad Makes His Hard Line Clear

By Douglas Jehl
New York Times Service

DAMASCUS — When the luncheon conversation at Syria's presidential palace turned to the subject of Mikhail S. Gorbachev, the American guest and his Syrian host could not have disagreed more sharply.

Former President George Bush praised Mr. Gorbachev for his courage in opening the closed Soviet system to internal criticism and to accommodation with old foes. The host, President Hafez Assad, said that the Russian had made a historic mistake.

The conversation, described by people with knowledge of the meeting between the two men last week, ended on a gracious note. But it drove home an unmistakable message: As the cold war between Israel and Syria continues, nothing resembling *glasnost* is on Mr. Assad's mind.

In many ways, Syria remains on war footing, with more than two-fifths of its budget devoted to defense and no public dissent permitted to its uncompromising line toward peace with Israel, which insists on the full return of the Golan Heights. Since Israel suspended peace talks after a wave of suicide bombings, that solid front has taken on an even harder edge.

"If anything, people have been clamming up," a Damascus-based diplomat said in describing Syrians who not long ago had begun to express hope that peace with Israel might be just around the corner.

On Tuesday last week, Mr. Assad warned that the path to an accord had "narrowed to a large extent." With Israel's attention fixed on the national elections, no one here expects the American-brokered peace talks to resume at least until early summer, and there have been new suggestions in official newspapers that the United States has not been even-handed.

Only those even more critical of Israel and the United States than the government have felt free to vary from that official line, including representatives of some of the militant Palestinian organizations allowed to maintain offices here.

One group, led by Ahmed Jebril, has even used a powerful radio station that broadcasts from Syria to taunt Israelis in the aftermath of the recent bombings, carried out by the militant Palestinian group Hamas.

"Every Zionist settler has to choose between two fates: to leave to where he came from, or become pieces of stale meat thrown on the sidewalks of Palestine," a broadcast said in late February. "He is free to choose."

Mr. Jebril's group, the Popular Front for the Liberation of Palestine-General Command, is one of 10 organizations, including Hamas and Islamic Jihad, whose presence here is cited by the State Department as reason for listing Syria as a sponsor of terrorism. American officials have said Mr. Assad will force the organizations to close their offices if Syria makes peace with Israel.

For now, however, the sanctuary that Syria provides them still serves a purpose for Mr. Assad, who has held power for 25 years and appears determined that his country not show any sign that it is bending toward Israel.

"It's O.K. in Syria to be more anti-Israel than the government," a Western diplomat said. "It's definitely not O.K. to be less."

Ali Ahmed Said, who uses the pen name Adonis, was dismissed from the Writers' Union for statements deemed overly sympathetic to Israel. Another writer, Riyaat Ismat, retired from the union when it appeared that he might otherwise be dismissed.

A third, Mamdour Adwani, has recently published a magazine article advancing what some Syrians acknowledge to be the relatively novel concept of "a right to disagree."

To be sure, there have been episodic signs of incremental openness. In newspapers and in debate in the country's Parliament, dissenting voices may now sometimes be heard about such issues as agricultural production or inter-city transportation.

'It's O.K. in Syria to be more anti-Israel than the government. It's definitely not O.K. to be less.'

But institutions like the Parliament remain weak, and the range of public debate is closely circumscribed. Mr. Assad holds near-absolute authority, and his government uses its power so effectively that there is no organized political or other visible opposition.

Until a few years ago, even fax machines were banned, and the government only now is debating whether to allow Syrians a means to gain access to the Internet.

When the conversation last week shifted to the luncheon table and topics that ranged from "mad cow" disease to Mr. Gorbachev, people with knowledge of the conversation said the Syrian leader made plain that he regarded the example set by his former Soviet counterpart as one to be avoided at all costs.

"Everyone knew what they were talking about," one person said of a conversation that he described as a kind of allegory about Syria today.

Mr. Bush praised Mr. Gorbachev, and, perhaps not surprisingly, Mr. Assad balked.

"What Assad said was basically: 'Look where it got him,'" another person said, adding that the Syrian leader had pointed out that Mr. Gorbachev's policies had hastened his own downfall and the Soviet Union's collapse. "From that perspective, he certainly has a point."

Chinese Leader Radically Cuts Trip to Europe; Protests Feared

The Associated Press

HONG KONG — Prime Minister Li Peng of China has drastically shortened a European tour starting next week, apparently to avoid human rights demonstrators, a Hong Kong newspaper reported Friday.

The South China Morning Post reported from Beijing that Mr. Li canceled stops in Luxembourg and the Netherlands, and cut his stay in France to three days from seven.

It quoted unidentified sources as saying envoys of the three countries were called to the Foreign Ministry in Beijing on Thursday and told that the trip, in preparation for months, had to be cut short because Mr. Li "is very busy."

Calling it "a major diplomatic embarrassment" for China, the English-language newspaper quoted an unidentified diplomat as saying the most likely reason was fear among Mr. Li's aides that demonstrators would disturb his trip.

The Post recalled Mr. Li's visible anger at running into demonstrators in Germany during a 1994 visit.

Officials at the French Embassy in Beijing said Friday that Mr. Li would visit France from April 10-12 and that there had been no change in plans because the schedule had not been officially set earlier. Officials at other embassies in Beijing were not immediately available for comment.

Mr. Li is also unhappy with a recent European Community decision to support a resolution criticizing China at a forthcoming UN human rights session, the paper said.

Mr. Li's trip to France was seen as the highlight of Chinese efforts to rehabilitate his image in Europe, where he is remembered for having ordered in the troops that crushed the democracy movement near Tiananmen Square in Beijing in 1989, the Post said.

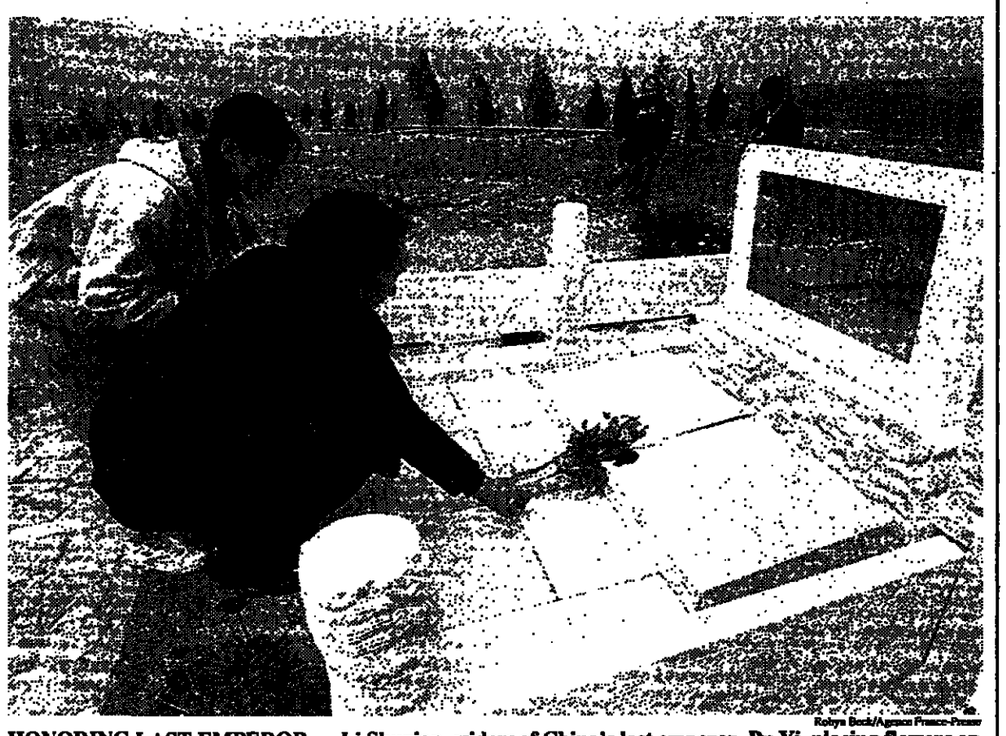
It said Mr. Li had to wait for an official French invitation until after the death of President François Mitterrand, who had openly criticized China's 1989 actions.

■ Beijing Suppresses Nakedness

China has ordered local authorities to close down "pornographic shows," the Xinhua press agency said Friday, according to Reuters.

"Illegal and pornographic performances have occurred time and again in some recreational places and rural areas," Xinhua quoted a circular from the Ministry of Culture as saying.

China forbids any performances involving naked or nearly naked people.



Robyn Beck/Agence France-Presse

HONORING LAST EMPEROR — Li Shuxian, widow of China's last emperor, Pu Yi, placing flowers on his grave in Hebei Province, west of Beijing, on the day of Qing Ming, when Chinese honor their ancestors.

France Sabotaged Ships, Greenpeace Charges

Compiled by Our Staff From Dispatches

AUCKLAND, New Zealand — Two Greenpeace ships seized by the French military during anti-nuclear protests at Mururoa Atoll arrived here Friday with Greenpeace saying the French had sabotaged the vessels and that the full extent of the damage was not yet known.

The ships, Rainbow Warrior II and MV Greenpeace, are two of five vessels the French Navy impounded last September during the environmental group's efforts to impede a series of undersea nuclear tests.

The vessels were released by the French last month after almost six months in detention at Hao Atoll, and a government spokesman in Paris on Friday ridiculed allegations that the ships had been sabotaged.

Manuel Pinto, an electrical engineer on Rainbow Warrior II, said the French had been "very clever" in disabling computer and radio equipment.

He said that while the equipment looked normal, on closer inspection it was found that cables had been cut and computer chips destroyed.

"Everywhere we turn, we find another piece of equipment that's been damaged in one way or another," said Tim Gorter, a radio operator. "It's sabotage."

In Paris, a spokesman for the armed forces public affairs department said equipment checks had been made before the vessels left Polynesia in the presence of representatives and lawyers for Greenpeace. *(AFP, Reuters)*

China Reports Rise in Literacy

The Associated Press

BEIJING — One in eight Chinese are unable to read, but the situation is improving, with the number of illiterates declining by 7 million people a year, according to a report of the State Statistics Bureau released on Friday.

In 1995, China had 145 million illiterate or functionally illiterate people, 12 percent of its population of 1.2 billion, according to data collected by the bureau.

A 4 percent decline in illiteracy since 1990 demonstrated that the government had made progress in improving the "cultural quality" of the nation, the official Xinhua press agency said.

It said that the number of Chinese with a secondary school education had increased to 35.9 percent of the population, from 33.4 percent in 1990.

Almost 25 million Chinese have obtained post-secondary education, a rise of 54.7 percent over 16.12 million in 1990, the report added.

BRIEFLY ASIA

Mahathir Shrugs Off Remarks

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad dismissed accusations Friday by a former Australian foreign minister that there was racial discrimination in Malaysia and said the remark would not affect bilateral ties.

"This is a statement by a frustrated politician," Mr. Mahathir said after Bill Hayden — who served as Australian foreign minister from 1983 to 1987 — mentioned him while hitting out at Asian nations for racial discrimination.

"I will not allow such frustrated people to sour our ties with the new Australian government," Mr. Mahathir was reported as saying by the Bernama news agency.

Political analysts had warned that Mr. Hayden's remarks might cause a bilateral row, but Mr. Mahathir pointed out that Mr. Hayden was not part of the current Australian administration.

The Australian government has distanced itself from Mr. Hayden's statement, saying the former minister was speaking only as a private citizen. *(AFP)*

5 Die in Air Crash Off Taiwan

TAIPEI — Five people died Friday when a small commercial airplane overshot a runway and plunged into the sea near the island of Matsu, airline officials reported.

The officials and the state-run China TV said all the five bodies were found in the cabin of the aircraft after the wreckage was retrieved from the sea, five hours after the crash. A child passenger remained missing, they said.

Of the 11 people rescued, including the captain, 6 were hospitalized, China TV said.

There were 15 passengers and 2 crew members on board the small Formosa Airlines craft. *(AP)*

Scuffles at Hong Kong Protest

HONG KONG — Scuffles broke out Friday between police and protesters trying to lay a wreath for people killed during demonstrations in China 20 years ago, Hong Kong government radio said.

The confrontation occurred when police refused to allow members of the April 5th Action Group to lay the wreath in front of the Hong Kong offices of the Xinhua news agency, the radio report said. The agency serves as China's de facto consulate in the British colony.

A police spokesman said he had no knowledge of any scuffle. He said 21 protesters gathered in front of Xinhua's building and laid a black-and-white wreath marked "In Memory" that police later took away.

Twenty years ago Friday, thousands of Chinese militia members armed with batons beat demonstrators gathered on Tiananmen Square in Beijing. Some 100 people may have died and hundreds were arrested in the following days. The demonstration is regarded as the start of China's democracy movement. *(AP)*

Afghan Rebel Attack Repulsed

ISLAMABAD, Pakistan — The Afghan Taleban militia launched a two-pronged assault south of Kabul but has been driven back by government forces, Radio Kabul monitored here reported Friday.

According to the unconfirmed government radio report, the fundamentalist forces suffered "serious losses" during the fighting early Thursday, but left four dead after firing several rockets on Kabul during their retreat.

The report also said the attack came hours after the end of a meeting of Muslim clerics, or *ulema*, in the movement's southern stronghold at Kandahar, who Wednesday declared a *jihad*, or holy war, against the government. *(AFP)*

U.S. Marines Are Sued in Japan

TOKYO — The family of a woman and two girls hit and killed by a car driven by a U.S. Marine sued the driver and a servicewoman passenger Friday for 62 million yen ($580,000), a news report said.

The lawsuit was filed at the Naha District Court by two family members of Rojita Kinjo, 36, and her daughters Mitsuko, 10, and Mariko, 1. The three were killed Jan. 7 when a car ran onto a sidewalk in Chatan, Okinawa.

The family demanded compensation from the driver, Lori A. Padilla, 20, and the passenger, Carrie Smith, 23, both Marines stationed at the Futemma base near Chatan, the Kyodo news agency reported. *(AP)*

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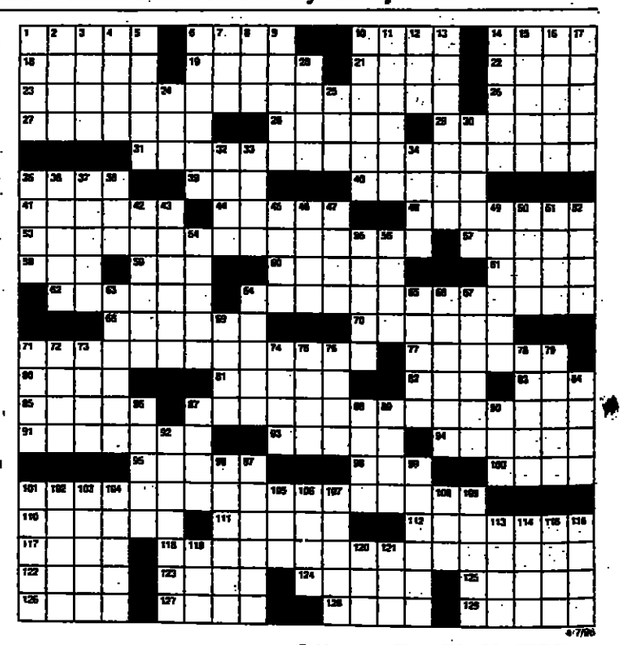
QUESTIONS FOR THE PHARMACIST By Cathy Millhauser



ACROSS

1 Sweetly, in a suite
6 Jambalaya, for one
10 Very shortly, shortly
14 Put one past
18 Provinces
19 Like L'eggs containers
21 Count, in England
22 Blues singer Big — Thornton
23 What's your favorite opera?
26 Side in a 1980's war
27 Japanese cult leader Shoko
28 Part of a "Mikado" refrain
29 Famous 12-book story
31 How do I get these tablets out of the bottle?
35 Clueless
39 The Way
40 Loci
41 Logic truths
44 Candied
48 Staff of Life
53 In what state are many of your customers?
57 Ragtime's Blake
58 "Alfred" poet Henry James
59 Guy Fawkes Day mo.
60 Famed baseball family
61 Helen of Troy's mother
62 Uncut
64 What's your favorite old TV show?
68 New York and New Jersey river
70 Offs
71 What should I keep locked in a cabinet?
77 Numb
80 Mr. Trebek
81 Loewe output
82 Civil War combatant
83 Mead
85 Fossil, e.g.
87 Which Wharton novel would you recommend?
91 Deliverance
93 Game with a 40-card deck
94 Epoch in the Cenozoic Era
95 Tiff
98 Mike Hammer, for one
100 Jejuna neighbors
101 What would you cry if you found some pills in your mixed vegetables?
110 Melodious
111 Pope John Paul II, originally
112 Layette pair
117 Disney's Simba or Nala
118 Where's the other pharmacist?
122 Enraptured
123 Listerine target
124 Stand in some studios
125 Frill
126 Word of regret
127 Homeric H's
128 Salad plate scoopful
129 Dauntless

DOWN

1 Man Ray's art
2 Hockey's Bobby et al.
3 "Star Wars" role
4 Change, e.g.
5 Founded: Abbr.
6 Audible
7 New Deal agcy.
8 Unspecific duration
9 Furniture measurement
10 Greek god of the winds
11 Substratum
12 Suffix with drunk
13 Gratified
14 Part of PABA
15 Seven-time A.L. batting champ
16 Alternative to the post office
17 Splendiferous
20 Pressing
24 Neighbor of Scorpius
25 Exam for the U.-bound
30 Stage actress — Janis
32 Enraptured
33 Exaction
34 Anna of "Nana"
35 Northern nomad
36 Small round window, in architecture
37 Wailer
38 Crown
42 Servile
43 Kind of relationship
45 Key to Mozart's 21st: Abbr.
46 Caffeine source
47 Kind of jacket
49 Green Wave's school
50 Observe
51 Lift
52 Cauterize
54 Eye parts
55 TV newsman Hughes et al.
56 Analogy words
63 "Hi and Lois" baby
64 Italian ball game
65 The Supremes' "I — Symphony"
66 Ancient mystic
67 Spanish port
69 Word on a door
71 Actress Felicia
72 Out of the wind, on windjammers
73 Pell —
74 Range
75 "Tantum —" (hymn part)
76 Youth magazine
78 Architect Saarinen Sr.
79 Tubular pasta
84 Not on land
86 Sheaths
87 Actress Hatcher
88 One of the Ringling Brothers
89 Pudia
90 Third-century date
92 Miser
96 Capital of ancient Galatia
97 Job follower
99 Occult doctrine
101 Model wood
102 An archangel
103 Actress Fullerton
104 Church receptacles
105 Suffix with press
106 Little bay
107 Footing facilitator
108 Cry in gasps
109 Hydrant hookups
113 Sermon's basis
114 Dividend preceder
115 Sandy shade
116 Ticket specification
119 Snood
120 Columbus sch
121 Swamp

© New York Times Edited by Will Shortz

Solution to Puzzle of March 30-31

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4/7/96

Fighting Rages Across Chechnya

More Than 30 Russian Troops Die in One Battle

Compiled by Our Staff From Dispatches

GROZNY, Russia — Russian forces and Chechen rebels paid no attention to a Kremlin cease-fire order and fought battles Friday across the separatist region.

More than 30 Russian soldiers were reported killed in one battle with the rebels as the army pursued efforts to cripple the separatists' fighting forces and officials in Moscow prepared their next political move.

Troops bombarded guerrilla positions across the region, and villagers from Shazhali in the southwest said more than 100 homes had been destroyed in the second air raid this week, despite local elders having signed a truce with the Russian military.

The Interfax news agency reported that more than 30 soldiers were killed, 67 wounded and 15 missing in night fighting at Goiskoye, south of Grozny.

It was one of the heaviest casualty tolls in a new round of intense combat that broke out a month ago when the forces of the separatist leader, Dzhokar Dudayev, attacked the regional capital.

Rebels in Goiskoye were also reported to have shot down a Su-25 fighter-bomber on Thursday with a U.S.-made hand-held Stinger missile.

The fighting flies in the face of a unilateral cease-fire ordered Sunday by President Boris N. Yeltsin in an effort to end the unpopular war and improve his chances in June's presidential elections.

But armed clashes have continued all week and showed no signs of subsiding.

The attacks in southwestern Chechnya this week damaged or destroyed hundreds of homes.

Chechnya's Kremlin-backed government expressed shock and indignation on Thursday at the bombings of two Chechen villages that had signed peace pacts with the Russian military. The Interfax news agency reported that 155 of Chechnya's 365 towns and villages have signed pledges to keep separatists out in exchange for a Russian promise not to attack their homes.

News agencies reported bombardments and heavy fighting around the southeastern mountain town of Vedeno, an area where the separatists are particularly strong.

There were also new air and artillery bombardments of villages in the west and southwest, including Shazhali, where an inquiry is under way into an air raid on Tuesday night. Shazhali, half of which has been laid waste by the two attacks, was supposed to have been spared.

Itar-Tass news agency quoted a Chechen police official from Shazhali as saying a further 120 homes had been destroyed in two waves of bombing on Thursday evening and early Friday.

Russian warplanes killed one Shazhali resident, Gelani Vagapov, on Wednesday and returned Thursday, killing his son.

Lipa Vagapova was at her uncle Gelani's funeral Thursday evening when the planes returned. "I've seen in films about Africa how they hunt animals from helicopters. It was like that," she said.

Geni Vagapov, 70, his wounded arm in a sling, was one of the village elders who signed a peace pact with Russian troops just hours before the attack that killed his brother Gelani. The two attacks also claimed two nephews and a sister.

"For a year and a half the Russian soldiers have been there," he said. "We welcomed them in peace. There has never been a provocation from this village. Now I promise you, with sticks, stones or pitchforks, every man, woman and child will oppose the Russians. There is only so much that we can take."

Shalazhi has been known for its opposition to General Dudayev since he came to power in the north Caucasus republic in 1991.

Russia's chief commander in the region, General Vyacheslav Tikhomirov, denied that Russian warplanes carried out one of the raids. *(AP, Reuters, AFP)*

Larger NATO Acceptable to Russia If Military Balance Stays the Same

The Associated Press

MOSCOW — Foreign Minister Yevgeni M. Primakov said Friday that Moscow was prepared to accept an eastward expansion of NATO provided it did not entail an increase of allied military force near Russia's borders.

The Russians have said in the past they would not tolerate NATO's bringing former Communist countries of Eastern Europe into the alliance and they have voiced fears that such expansion would move NATO's nuclear weapons too close to Russian territory.

"A geopolitical and a military-political model is being imposed on us, whereby NATO is expanding indefinitely while Russia is kept at bay," Mr. Primakov said. "This does not suit us at all."

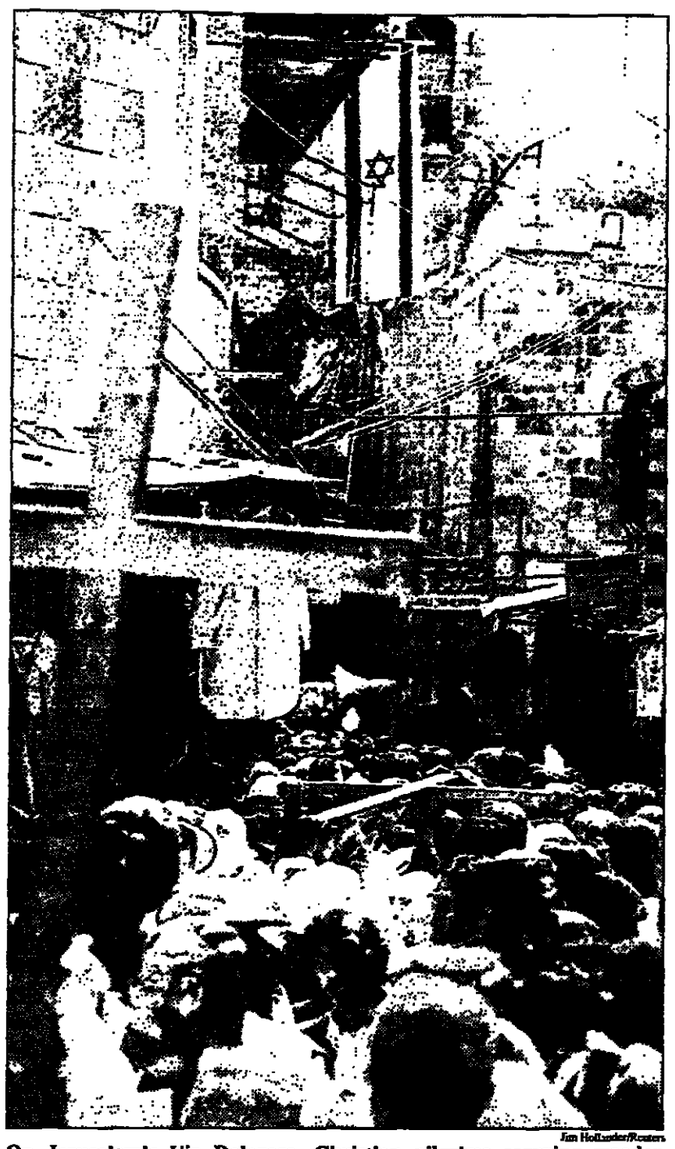
Speaking at the Moscow Institute of World Economy and International Relations, Mr. Primakov said Russia could not veto expansion by the North Atlantic Treaty Organization but it reserved the right to respond.

"Russia will think of adequate steps if, I repeat if, our proposals do not lead to a solution," he said in a speech distributed by the Interfax press agency.

Mr. Primakov said Russia could recognize NATO as an element of the European security system and establish "special relations" with the alliance if the bloc's military bases do not move closer to its borders.

Russian officials already have spoken of former Communist countries joining NATO's political bodies without becoming full-fledged military partners.

Mr. Primakov insisted that there was cause for concern despite the absence of plans to deploy short-range nuclear weapons on the territory of prospective East European members. He said military infrastructures were a factor.



Jim Hollander/Reuters

On Jerusalem's Via Dolorosa, Christian pilgrims carrying wooden crosses Friday retrace the route of Christ on the way to his crucifixion.

SYMBOLS: *Fresh Understanding*

Continued from Page 1

Gospels, Jesus entered Jerusalem on Palm Sunday, and where Jerusalem's Palm Sunday procession begins, Dr. Fleming offers an example.

Why Bethpage? he asks. Why would Jesus have chosen Bethpage to wait for his disciples to bring him a donkey?

He says that the answer lies in the Talmud, the ancient rabbinic commentary on the Bible. According to Jewish law, a Jew may not work on the Sabbath and work includes carrying anything outside of a closed area. The limits of that area in Jerusalem were determined to run through Bethpage, according to the Talmud.

In other words, in Jewish tradition, Bethpage was the Jerusalem city limit. By going to Bethpage and ordering a donkey, Jesus was fulfilling the prophecies of Joel and Zaccharia that a descendant of David, a savior, would enter Jerusalem on a donkey.

And all those who witnessed the sight would have little doubt as to its meaning. Even the name Bethpage benefits from exegesis.

It means house of the preseason fig, and herein may lie the key to another scriptural mystery.

In Hebrew and Arabic there are separate words for a preseason fig, a page. In Greek there is none.

So when, in Mark 11:13, Jesus comes upon a fig tree and does not find figs "for it was not the season for figs," this is understandable.

It was not the season for figs. It was the season for pages, as Jesus and everyone else then certainly knew.

Jerusalem at this time of year, with its golden acacia trees, wild red anemones and yellow buttercups all in blossomed splendor, speaks eloquently of the season of rebirth and helps illuminate many of the Bible's passages.

Which brings us back to the palm branches.

This was a time of enormous upheaval for the Jews who suffered under the boot of Roman occupation. Hundreds of would-be saviors were being crucified by the Romans.

But in the Galilee of Jesus's day, ruled by Herod Antipas, the Jews had won a small victory.

The coins of the Romans had been imprinted with the face of Tiberius, the Roman emperor.

This contravened Jewish laws against graven images and the Jews insisted that the coins be changed.

They were. Galilee coins from around 24 A.D. that have been found show they were restruck with the image of a palm branch over that of Tiberius's face.

"For the Galilee Jews, the palm branch was a symbol of people power because with it they had made the governor change the coins," Dr. Fleming said. "Palm Sunday was in all likelihood a political demonstration."

RUSSIA: *Communists, in Draft Law, Intend to Curtail Market Reforms and Restore Central Economic Planning*

Continued from Page 1

munists. A copy of the draft law — "Urgent Measures to Take Russia Out of Its Crisis" — was made available by a supporter of the measure.

With their candidate leading in the polls, Communist officials are not just focusing on campaigning. By developing plans to govern Russia, they are beginning to act like a government-in-waiting.

The emerging Communist program has alarmed free market advocates, who fear it may lead to a new era of hyperinflation.

"The most fundamental problem of the Communist economic team is there is no economic team," said Anatoli B. Chubais, the former deputy prime minister who is supporting President Boris N. Yeltsin's bid for reelection. He added that none of the Communist officials "understands what the Russian economy is now."

But that criticism does not impress the Communists, who complain that the free market advocates ignored Gorbachev-era advisers, such as Leonid Abalkin and other researchers at the Russian Academy of Sciences who have urged a very gradual program of economic reforms.

Drafted by Igor Bratishchev, a senior economist in the party and other members of Parliament, the draft law illuminates the thinking of many Communists.

Many maintain that they favor a mixed economy of private and government-controlled enterprises. But they also retain a deep nostalgia for the security of a command economy and believe free enterprise should be strictly regulated.

Most of the law's emphasis is on government intervention to boost industrial production, which it says must be restored to the level of 1990 and 1991.

Instead of strictly adhering to the International Monetary Fund program to develop a free market economy, the draft law calls for protective tariffs to insulate Russian firms from foreign competition and large government investments to help Russia's ailing industries.

The private sector, meanwhile, would be strictly regulated. The law, for example, would ban the ownership of land, except for small garden plots.

Limits would also be set on profits from private business. The prices of industrial and agricultural products would be regulated, including consumer goods. Transportation tariffs would also be controlled.

A comprehensive social safety net, reminiscent of Soviet times, would be established. Rent and utilities could not cost more than 5 percent of the income of the leaseholder. Families of retired servicemen would receive free housing. Jobs would be guaranteed for university graduates in their chosen specialty.

Striking a nationalist theme, the law seeks to limit the West's influence on Russia. Foreign-made entertainment, for example, could constitute no more than 20 percent of all television programming.

While foreign investment would be welcomed, foreign companies would not be allowed to buy land, natural resources, or energy complexes. Nor would they be allowed to purchase controlling interests in "key industries of the basic branches of the economy."

One big problem for the Communists is coming up with the huge funds needed to pay for Russian investments, agricultural subsidies, and social spending. Even Mr. Maslyukov, who favors trying to work with the monetary fund, says that Russia might be forced to adopt less strict controls on its money supply than the fund has required as a condition of its new loan to Russia.

To increase revenue, the draft bill calls for re-establishing export tariffs on oil and gas, a common Communist proposal. That is a direct challenge to the monetary fund, which has insisted that they be phased out.

The fund believes that these export tariffs have led to artificially low energy prices in Russia and, thus, distorted investment decisions. To make up for the revenue lost from eliminating the export tariffs, the fund has urged the establishment of new excise taxes on electricity and fuel. But Communists oppose these as well, saying they raise costs for Russian citizens.

Mr. Bratishchev argues that the fund does not understand Russia's culture and traditions.

Yuri Kozlobaev/Agence France-Presse

Vladimir V. Zhirinovsky with a backer after registering in the presidential race Friday.

Yeltsin Gains In Voter Survey

Reuters

MOSCOW — President Boris N. Yeltsin has almost closed a gap in public opinion with his main rival, Gennadi A. Zyuganov, trailing the Communist leader by just two points in a poll published on Friday.

The survey, by the Public Opinion Foundation, showed that 19 percent of those polled on March 30 would back Mr. Yeltsin if a presidential election was held immediately. On March 2, just 14 percent of the voters said they would give Mr. Yeltsin their backing.

But Mr. Zyuganov still leads the poll, with 21 percent. In the March 2 survey, 20 percent of voters said they would vote for the Communist Party candidate.

The rise in support for Mr. Yeltsin and Mr. Zyuganov came at the expense of three other main candidates. They are Grigori A. Yavlinsky, a liberal economist; Vladimir V. Zhirinovsky, an extreme nationalist, and Svyatoslav Fyodorov, a surgeon.

About 6 percent of those polled said they would not vote.

KOREA: *The Question Seems to Be Not Whether the North Will Collapse, But When and How*

Continued from Page 1

hampered, as ever, by the lack of reliable information. Pyongyang either flatly bars or severely restricts visits by human rights inspectors, foreign journalists and even food aid officials.

No American is known to have spoken to Mr. Kim. As Walter F. Mondale, the U.S. ambassador to Japan, said, "Looking at North Korea is like looking at a blackbird on a dark night."

U.S. officials say they have significant information about the North, but they are reluctant to reveal it because they do not want to anger prickly Pyongyang with grim assessments in the media. At the same time, South Korean officials tend to put the most negative spin on any information about the North.

Ezra Vogel, a professor at Harvard University who recently left his post as the Clinton administration's Asia specialist at the CIA, said in an interview here that Pyongyang could collapse in the next two or three years. But, he added, "the level of discipline in the society as a whole still seems to be very high."

Mr. Vogel said the fuel shortage is so acute that military pilots receive "zero flying time" for training, military exercises have been canceled, and the North Koreans are "really crossing a line about troop readiness."

Most North Koreans apparently have no idea how affluent their southern neighbors and relatives are. Radio and television sets in the North have one channel: government programming. The telephone system, except for official lines, blocks international calls. One part of the country does not even know how the other is faring; travel passes are required for people leaving their home villages.

Economists, academics and professional Pyongyang-watchers agree North Korea is trapped. Its old Communist patrons, the former Soviet Union and China, no longer are propping up its economy. Its exports declined by 30 percent last year, according to the National Unification Board in Seoul. Less foreign currency means less cash for fuel and raw materials, which in turns means fewer exports for next year.

Recently declassified U.S. military aerial photos of the North show that mountains have been stripped bare as trees are harvested for firewood. Last summer's devastating floods, possibly made worse by runoff from the bare mountains, destroyed many crops and worsened food shortages.

Bernie Krisher, one of the few Americans permitted to travel inside Pyongyang, said he was led by flashlight around a hotel last month because the lobby and restrooms were without power. He said he also saw sick, malnourished children in an unheated hospital.

AMERICAN TOPICS

Police Decals Stick Up Assailants of Cab Drivers

New York police are offering window decals to taxicab drivers that explicitly invite the police to stop vehicles to ascertain that drivers are safe — and hundreds of cabbies are asking for the decals, The New York Times reports.

The drivers seem to accept the police argument that decals deter gun-toting passengers from entering a cab. The presence of decals is also said to make convictions easier: They establish prior consent for the police to stop a cab that has passengers, many of whom scurry out the back if they are concealing guns or drugs. The decals are the latest step in an aggressive program that the police say has helped cut the number of drivers murdered to 17 last year from a record 45 in 1992.

One difficulty has been communicating to drivers — many of whom are recent immigrants — that street-crime officers are not interested in checking into their immigration status, expiration dates of licenses or even traffic violations.

Short Takes

The switch to daylight saving time briefly increases highway accidents, according to a study published in the current New England Journal of Medicine. Apparently because people were sleepier behind the wheel, the Monday immediately after the time switch saw 7 percent to 8 percent more traffic accidents than the Mondays a week before and a week later, according to a survey of all highway wrecks in Canada on those Mondays in 1991 and 1992. On the other hand, on the Monday after "falling back" in October and gaining an hour of sleep, traffic accidents dropped slightly.

A bicycle thief suspect found out too late that a $5,500 racing bike had no brakes — the owner had just changed wheels and had not yet reattached the brakes. Rafael Garcia, 21, was hospitalized in the Los Angeles county jail ward with a fractured skull after of a nasty spill at the bottom of a steep street. "He's lucky he is alive," said Los Angeles Police Detective Fred Duitsman. "I can picture this guy's terror, having absolutely no brakes and realizing that there has to be an end to this."

International Herald Tribune

Nobelist Held in Sex Case

Washington Post Service

WASHINGTON — A Nobel prize-winning scientist at the National Institutes of Health has been arrested on charges that he sexually abused a teenage boy he brought from Micronesia to live with him in Maryland.

Daniel Carleton Gajdusek, 72, who shared a Nobel prize in 1976 for research on a new kind of organism that causes human disease, was arrested after returning home from a trip overseas. He was booked on state charges involving child abuse and perverted sexual practices and was held on $1 million bail.

The FBI said it began an investigation last year that focused "on his relationship with minor children" whom he brought to the United States from Micronesia and New Guinea after visits there to conduct research. The charges are based on allegations by a college student, now 23, who came to live with Mr. Gajdusek when the youth was 14.

On his resumé, Mr. Gajdusek lists as his "family" 54 New Guinean and Micronesian children. The resumé describes them as "adopted," but authorities could find no evidence that those were legally recognized adoptions in the United States. Colleagues said Mr. Gajdusek was not married.

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ART

The Perils of Gigantism

By Paul Richard
Washington Post Service

WASHINGTON — "The Robert and Jane Meyerhoff Collection: 1945 to 1995," at the National Gallery of Art, may be too big to swallow. The exhibition has rich moments, feastly dishes for the eye prepared by masterly practitioners, yet it leaves one feeling bloated. The Meyerhoffs are not the problem, their big-name artists aren't the problem, but there is a problem. If things keep going on like this, museums will choke on the bigness of big art.

Other Americans buy million-dollar paintings by the biggest art world names, but few have bought so many, so persistently, as the Meyerhoffs of Phoenix, Maryland. Their key area of interest is the latish New York School. Together they have formed an unsurpassed collection of, well, the five artists whom they most collect — Frank Stella, Roy Lichtenstein, Ellsworth Kelly, Robert Rauschenberg and Jasper Johns. There is no vanity museum in Hollywood or Texas that wouldn't want a piece by Rauschenberg or Stella; there are Lichtensteins in lobbies, and no museum anywhere would turn down a Jasper Johns. These are major figures all of them, marketable, renowned. This is trophy art.

And these are trophy artists. In the catalogue are snapshots — of Stella next to the Meyerhoffs' pool, and Lichtenstein by the private jet, and Rauschenberg by one of their racehorses, and of Jane Meyerhoff as a guest at Johns's house in St. Martin. Artists of this stature do not skimp on materials. They work big.

Kelly's monochrome "Red Curve" (1986-87) eats, all by itself, a 50-foot wall. The Meyerhoffs own 14 Kellys. Lichtenstein's "Bedroom at Arles" (1992) is 13 feet wide. The Meyerhoffs own 19 Lichtensteins. Rauschenberg's "Gates: South (Japanese Clay Works)," another 13-footer, sticks out a yard from the wall, and you'd need a forklift to shift it, since it isn't canvas but high-fired ceramic. Stella's triptych "Hooloomooloo 1, 2, 3" (1994) hangs in the atrium because no other space in the East Building is big enough to hold it. This Stella is terrific, immeasurably better than the Miró rug it replaces. It is also 32 feet wide.

Art so big takes lots of room. The Meyerhoffs' collection — despite its narrow reach, its intense concentration on one sliver of art history — goes on and on and on.

Despite some good moments, Washington show chokes on the bigness of big art.

It fills their big house in Phoenix. It fills the galleries they've added to the house, and the guest rooms and the halls. In the East Building it takes up 18 halls on two floors, and it doesn't stop there. It flows onto the mezzanine terrace. It pours into the stairwells and the elevator lobbies. The collection is still growing. The Meyerhoffs plan to donate it to the National Gallery.

In 1987 they signed an agreement to that end with J. Carter Brown, then the gallery's director. Details are scant. The document binds no one. "The plan agreed to," explained a gallery press release issued at the time, "envisions that a foundation will operate the Meyerhoffs' galleries in the Maryland countryside and that their collection will be displayed for the public both in that facility and at the National Gallery in Washington." The gift, if it transpires, would certainly be seen as a giant generosity. The one catch, if there is one, is in the word "foundation." Who is going to pay for that satellite museum, that new horsey colleague of the Hammer and the Kreeger, that gallery-cum-lending library in rural Maryland, for its heating bill and roof repair, its forklift and its guards?

That's the trouble with big art, or at least with the prospect of maintaining it forever. Harry Callahan's photography exhibition, the whole show, could be stored in a drawer. If you want to stash a Rauschenberg, you'd better have a warehouse. The Meyerhoffs themselves may have solved the problem, but what about collectors who don't own rolling acres, and what about museums without national resources, and what about the big art, destined for museums, seen in penthouses and mansions from Fifth Avenue to Bel-Air?

And art keeps getting bigger. Artists don't just paint these days. Inspired by the thought that bigger equals better, they make pictures that eat walls, or vast, complex, theatrical, room-devouring installations. There are thousands of them out there, working at this scale. "Museum art," they call it. Where will this stuff live?

There are some first-rate objects in the Meyerhoff collection. And some splendid moments. Lots of them are Stella's. His intelligence, his daring, his willingness to push it, are seen clearly in this show.

Stella, who was painting on flat canvases in the late 1950s, was even then making pictures whose rightness, whose finality, seemed to leave the painter no options for advance. He nonetheless forged on, deep into the realms of assemblage and sculpture, but now he's painting flat again. If you stand still for a moment at the entrance to this show, then do a pirouette, you will see his early silver "Marquis de Portago" (1960) and his baroque "Hooloomooloo" of 34 years later and four of his assemblages, in one amazing glance.

FRANZ Kline's calligraphic "Turbin" (1959) is about as good as Franz Kline gets. Josef Albers's shimmering "Homage to the Square: At Sea B" (1964) is a superb Albers, and "Night Driver" (1960) is a very good Johns. And no one but a grouch would grumble or complain about the brightest and the biggest of the Lichtensteins on view — "Painting With Statue of Liberty" (1983), "Mountain Village" (1985), "Painting With Detail" (1987), or that vision of van Gogh's bedroom, Kelly's "Dark Green Panel I" (1982) is a good Kelly, too.

In the 200-object Meyerhoff collection there are worthy pictures the gallery could use. You could put on a good show of abstract field painting just from their collection — you could show, for instance, the Albers and the Kline, and the 15 Barnett Newmans (which they purchased for the gallery in 1956), and let Rauschenberg's "Rose Condor (scale)" (1977) cast a knowing wink at Agnes Martin's stripes. That 1952 black painting by Rauschenberg (which Jasper Johns has promised to give to the Meyerhoffs) could hang beside "Night Driver." Brice Marden's "Cold Mountain 5 (Open)" (1989-91) could extend the argument, and if you grew tired of field painting's somberness, you could call call in Lichtenstein's "Painting With Detail" and close with a good joke.

Or suppose you wished to focus on the ways that painters lunge at eye-popping popularity. To do so you could hang "Painting With Statue of Liberty" beside Dalí's "Crucifixion," or a boxing scene by Bellows, or "Watson and the Shark."

But that won't solve the problem. Before the gallery begins to ingest this vast collection, somebody should edit it. There are pictures here worth keeping. There are others that are not.

The art of Jasper Johns can be haunting, enigmatic. It also can look silly. The weakest of his pictures here — those Dalíesque concoctions with their wristwatches and mustaches and big droopy eyes — are among his silliest. Rauschenberg's ceramic piece is nothing to write home about. In 1991, the Meyerhoffs paid $1.65 million for Lichtenstein's "Razzmatazz"; they wouldn't damage the collection if they turned that less-than-wonderful picture into cash.

"Saigon, Minnesota," their 24-foot-wide 1985 Eric Fischl, is much worse. They gave it to the gallery in 1992 and must have been relieved to get rid of it. Grace Hartigan's "Josephine" (1983) is hanging in a stairwell. Yes, the painter is from Baltimore, and many people love her, but in a gallery devoted to the best of Western art, "Josephine" is a picture that should not hang at all.

Be warned by this exhibit. Contemporary art has a deeply disappointing way of sliding out of fashion. Ask Bougnereau, or Mary Boone. Today's big important pieces — be they ever so costly, or consensually admired — may be consigned to the basement tomorrow. Let's hope that there is room.

The exhibition runs through July 21.

Robert and Jane Meyerhoff Collection

Frank Stella's "Hooloomooloo 1, 2, 3" triptych (1994) is 32 feet (10 meters) wide and hangs in the atrium.

Art and the Public Purse: What Is the 'Avant-Garde' Anyway?

By Katherine Knorr
International Herald Tribune

PARIS — The cultural trade wars and the accompanying name-calling between France and the United States have become so stylized that it's difficult to tell anymore what the point is.

Lost in all the very real commercial battles over audiovisual markets is another important struggle taking place in both countries over the role of art in rich modern societies approaching the millennium. And despite a lot of faddish blah-blah about the triumph of popular culture or the burying of dead white males, the philosophical and aesthetic questions that people concerned about the arts are asking themselves are highly important and potentially revolutionary.

So it matters to ask why the art of today is so poor, why so much of it is cynical, throwaway and why so much art criticism has slavishly gone along with the next dead-animal exhibition or coiled-ropes-on-the-floor happening. (Nothing wrong with people expressing themselves as they wish, of course, but there is something wrong with confusing Picasso and Andy Warhol, or seeing Picasso as kind of a superior bed-linen designer).

Most importantly perhaps to the taxpayers, who have been made patrons of the arts, it goes to the heart of government art "policy." Should a government subsidize culture, and if so what should it subsidize? Is it correct for a democratically elected government to impose unpopular contemporary art on the very people whose pockets it is picking to pay for it?

Advocates of greater government spending on the arts in the United States tend to admire the French model, where the government — particularly under Jack Lang — boasted of the large percentage of the budget it spent on the arts. The French model, however, is deeply flawed. The result is a lot more cultural institutions and street parties, but not a lot more great art.

Arguably the most original thinker today on the question of patronage of the arts — and a pioneering critic of the cultural bureaucracy here — is Marc Fumaroli, a professor at the Collège de France who was recently inducted into the Académie française, and whose book, "L'État culturel — Essai sur une religion moderne" (The Cultural State — Essay on a Modern Religion), ought to be must reading for advocates of greater spending on the arts.

At a time when Beaubourg, the symbol of the Paris-New York race for modernity, is being given a facelift, and when a new government shows that no matter who runs the culture ship it keeps going forward, Fumaroli is concerned about the way the debate has become sidetracked into a war of words with America and reduced to high vs. popular culture. (Chateaubriand vs. Snoop Doggy Dog?)

The irony of the Lang *kulturkampf* is that, under the guise of promoting the "art" of the oppressed masses of America, it was promoting the "product" of the American pop culture industry, which is a commercial proposition that doesn't need the help of French intellectuals and which is deplored as immoral by some Americans.

"We are in a new phase of the dispute between Paris and New York — which is the New Athens of the late 20th century — that is more vainglory than substance," Fumaroli said in a recent interview.

"The French have a lot to learn from these kinds of challenges. Can we continue to attract to our tradition the new groups of people within our walls, or do we imitate American culture and say Eurocentrism is finished, the Greco-Latin tradition is finished, the classics are finished? Is it up to the Third World to reinvent itself here, borrowing the American model?"

"It is a real problem, a true drama," he went on, "and I wonder whether it is being tackled by the people who should be doing so. I am not sure that the answer they have offered for almost 40 years — that is, a vast cultural organization with numerous ramifications — has proved itself because, while it has been very famous abroad, it no longer figures among the positive forces for our spiritual vitality. I should add I am convinced that school is a better tool to combine tradition and invention."

Part of the impetus for lavish French cultural spending has been a wish to counter Paris's "defeat" by New York as the capital of art. André Malraux, as the pioneer culture minister, sought a "third way" between the American and the Soviet model and focused among other things on building so-called *maisons de la culture* to "open" culture to everyone (the elitist assumption being that the French equivalent of Joe Sixpack would be reading Mallarmé if only the government gave him "access").

Fumaroli traces part of official French anxiety to the 1969 Met show "New York Painting and Sculpture, 1940-1970," which claimed the No. 1 spot for the New York School. Georges Pompidou, a former professor with friends in the art world, wasn't amused, and this was no small factor in the building of the Pompidou Center.

Fumaroli's arguments are important because they go beyond borders and reach back into the history of art. He can be seen as part of a small group of thinkers, like the late Allan Bloom and Saul Bellow, who hold on to a vast knowledge and a deep respect for artistic creation that a subsequent generation has turned against.

This critical view of art subsidies and of attitudes in the art lobby also goes well beyond the clichéd divisions between left and right that are apparent in what has come to be called the culture wars — i.e., the right is anti-Mapplethorpe and thus anti-art, the left is pro-Mapplethorpe and thus the champion of freedom of speech.

In a recent article in the review Le Débat, Fumaroli seeks to defeat the conventional wisdom that in art there is on the one hand the academy (a bunch of boring old fools writing elegies and painting sylvan scenes) and on the other the avant-garde, a constantly renewed group of creative rebels who are all descendants of the Manet who painted "L'Olympia." Sort of the snobs vs. the mods.

The accompanying silliness is that the art market is a wonderful place where everything from graffiti to photo collages become great works of art (and appreciate in price) merely through the passage of time. Fumaroli writes that the "avant-garde" point of view is that governments should subsidize "avant-garde" art because it's the best "investment."

THE problem with subsidizing what passes for "avant-garde" art these days is that so much of it is so obviously bad.

"The traditional circumstances on which the arts grew have almost disappeared," Fumaroli said. "The compost of the arts was a leisure class, whether aristocratic or bourgeois. There was a premium given to contemplation, to a kind of detachment, whether aesthetic, philosophical or moral, and it created in Europe great writers, artists, historians, architects who took the time to nourish themselves on a tradition and who addressed themselves to a public that had the time to initiate itself to these things.

"That seems to me to have disappeared, not only in Europe and in America but in Asia. One has the feeling that in this area there are no longer the great figures that we had at the end of the 19th century or the beginning of the 20th. Where is the Rabindranath Tagore of today, or the Ramakrishna of today, or even the Gandhi?

"It is much more difficult today to attain wisdom, to invent beauty, with the interior search that requires, than it was in periods infinitely more destitute than today. But I also think that, by a kind of counterweight, little by little we are going to see appear exceptional personalities who will have found a way to overcome the terrifying pressure that means there are no artists, only purveyors of an art market, no more writers, but purveyors of a media market."

"There is another America that newspapers and films don't convey to us, a contemplative one," he went on. "I am thinking of a novelist like Saul Bellow, he is not young, but here is someone who in great solitude has managed to maintain an integrity and a clarity of vision almost à la Beckett."

He added: "I am thinking of a poet like [Joseph] Brodsky, who has just died. I think there too we have a man who fought against terrible conditions under a totalitarian regime, then he went to the United States where he resisted another kind of pressure, to become an author of best-sellers. What saved him is that he was working with a very old literary tradition, he could talk about the modern condition with a language whose rhythms, sonority, fullness were those of the Russian poetic tradition.

"When one leans on a literary or musical tradition one can escape the contemporary pressures. If we are entirely prisoners of current trends — which suppress autonomy, integrity and turn you either into a merchant, a manager or a client of culture — there is no doubt that the redeeming vocation of the arts has ceased."

BOOKS

REASONABLE DOUBTS: The O.J. Simpson Case and the Criminal Justice System

By Alan M. Dershowitz. 238 pages. $20. Simon & Schuster.

Reviewed by Joel Brenner

ALAN Dershowitz says "there are different kinds of truth at work in our adversary system." Since most criminal defendants are guilty, he says, prosecutors usually have "ultimate truth" on their side. But since prosecution witnesses often lie, defense lawyers may have "intermediate truth" on their side. This crisp little volume is a feast of intermediate truth that will, after reflection, leave you famished for the other kind.

Member of the Simpson defense team, advocate of distinction and connoisseur of hype, Dershowitz reminds us that the case of The People of the State of California v. Orenthal James Simpson was tried in the court of public opinion as well as in the Superior Court of Los Angeles County. That is his closing argument in the larger of those two circuses, and, as closing arguments go, it's excellent.

"It is not the purpose of this book," he says, "to try to persuade readers that they are wrong if they think O.J. Simpson was guilty. Rather, it is my intention to explain how, under our system of criminal justice, the Simpson jury could properly have reached a verdict so at odds with the conclusion reached by millions of intelligent and decent people who watched what they believed was the same trial." You can believe this or not. Many an advocate disavows his motive before a hostile audience.

Dershowitz then reviews the evidence — against the police, starting with the obvious perjury about their motive for the warrantless entry of Simpson's house on the night of the murder. Does anybody believe the cops jumped the fence to inform Simpson and not to search his house? This was blatant perjury, as if daring the court to throw out the evidence.

Dershowitz asserts that police perjury is pervasive and widely tolerated by prosecutors and judges. The fact that this view is controversial among middle-class whites is a measure of their isolation from the nasty realities of the criminal courts. Exaggerated testimony and occasional outright fabrication by an arresting officer — I have seen both — give the police de facto power to punish people who, in their opinion, are "probably guilty" anyway.

Dershowitz does not conclude that the cops framed a guilty man. But he reminds us that "the jurors in the Simpson case were not asked to vote on whether they believed 'he did it.' They were asked whether the prosecution's evidence proved beyond a reasonable doubt that he did it." He argues that even if the jury thought Simpson was probably guilty, police perjury plus mishandled evidence was enough to create reasonable doubt.

Whether or not Simpson did commit the murders, Dershowitz believes that the acquittal "will promote truth in the long run, by sending a powerful message" that police perjury won't be tolerated. Time will tell, but I doubt it.

Joel Brenner, who practices law in Washington, wrote this for The Washington Post.

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Asian Art Comes Home

By Michael Richardson
International Herald Tribune

SINGAPORE — When a buyer from Indonesia paid just over 3 million Singapore dollars ($2.2 million) at auction the other day for a major work by the country's most famous painter, it underlined the heady growth of the Southeast Asian art market in the past few years.

"The Deer Hunt" by the 19th-century Javanese artist Raden Saleh was the centerpiece of the Christie's March 31 sale of regional pictures in Singapore, in which nearly 92 percent of the 170 lots offered were sold for a total of more than 7.1 million Singapore dollars.

"It was an incredibly strong sale and we are more than happy with the results," said Jop Ubbens, an associate director of Christie's Amsterdam BV and head of the firm's 19th Century Department. "Every Indonesian collector was here, as well as collectors and dealers from Singapore, Malaysia, the Netherlands and even Japan."

He said that the market in Southeast Asia had matured over the past two years with buyers, especially those from Indonesia, now "paying for real quality."

As well as reflecting the surge of economic growth and prosperity in the region, local demand for paintings of Southeast Asia by either indigenous or foreign artists has resulted in a vast repatriation of works, mainly from Europe and the United States.

For example, "The Deer Hunt," a monumental canvas that Raden Saleh painted in 1846 while in Europe under Dutch colonial patronage, was offered for sale from Vienna and bought by a leading private collector in Indonesia.

An oil painting done in Bali, "Ni Tjawan and Little Ketoet at a Weaving Loom," by Dutch artist Willem Gerard Hofker (1902-1981) came to the sale from the Netherlands and was bought by an Indonesian for 608,750 Singapore dollars. Like "The Deer Hunt," it went for more than twice the upper estimate.

A canvas of the old Portuguese church in Jakarta by Fernando Cueto Amorsolo (1892-1972), one of the best-known artists in the Philippines, sold for 245,750 Singapore dollars, with the successful Indonesian buyer outbidding Filipino and Malaysian collectors.

The prices paid for the three paintings were by far the highest ever for works by those artists.

Local buying power is driving the reverse flow of art works from the West to Asia.

"For a long time, only Europeans could afford to own quality Indonesian paintings and most were in Holland," said Sueja Neka, who has a large gallery and museum in Bali. "Now the situation is different. Indonesians have more money and are increasingly interested in Indonesian art, particularly of Balinese subjects."

At present, Christie's is the only international auction house that deals regularly in Southeast Asian pictures, watercolors and drawings. It has two auctions a year in Singapore and two in Amsterdam, the latter limited to Indonesian works.

However, Sotheby's is about to enter the arena in earnest with its first auction of Indonesian paintings on April 23 in Amsterdam.

Breaking Down the Categories

International Herald Tribune

PARIS — Should we drastically revise our approach to 19th-century art and drop the clear-cut categories that we have long accepted unquestioningly?

An unassuming exhibition of landscapes and architectural views which may be seen until April 17 at the Galerie de la Scala, 68 Rue La-Boétie (and in May at the Galerie Didier Aaron in New York) strongly suggests so, even if that is not its stated purpose.

SOUREN MELIKIAN

While a few names such as Pierre-Henri Valenciennes or François-Marius Granet will be familiar to specialists, many more, from Alexandre Desgoffe to Louise Joséphine Sarazin de Belmont, ring no bells. Nor is there any reason why they should. They were ultra-minor artistic figures, and that is what makes them so gripping. If ever an art exhibition demonstrated the importance of unimportant painters, this is it.

Art history is focused on the greater men whose achievement wins our aesthetic admiration. We take it for granted that everything hinged on their individual progression which inspired the others to follow in their footsteps. The Galerie de la Scala show outlines a different story where the first half of the 19th century is concerned. It points to multiple currents, not easily classified. Many individual experiments were several steps ahead of the oeuvre of greater artists. Put together, these reveal that a fundamental change began to affect the very perception of the visible world in Western culture.

Early indications of an upheaval can be detected in the bland landscapes turned out by Joseph Bidauld and a few other painters of his ilk at the time of the French Revolution.

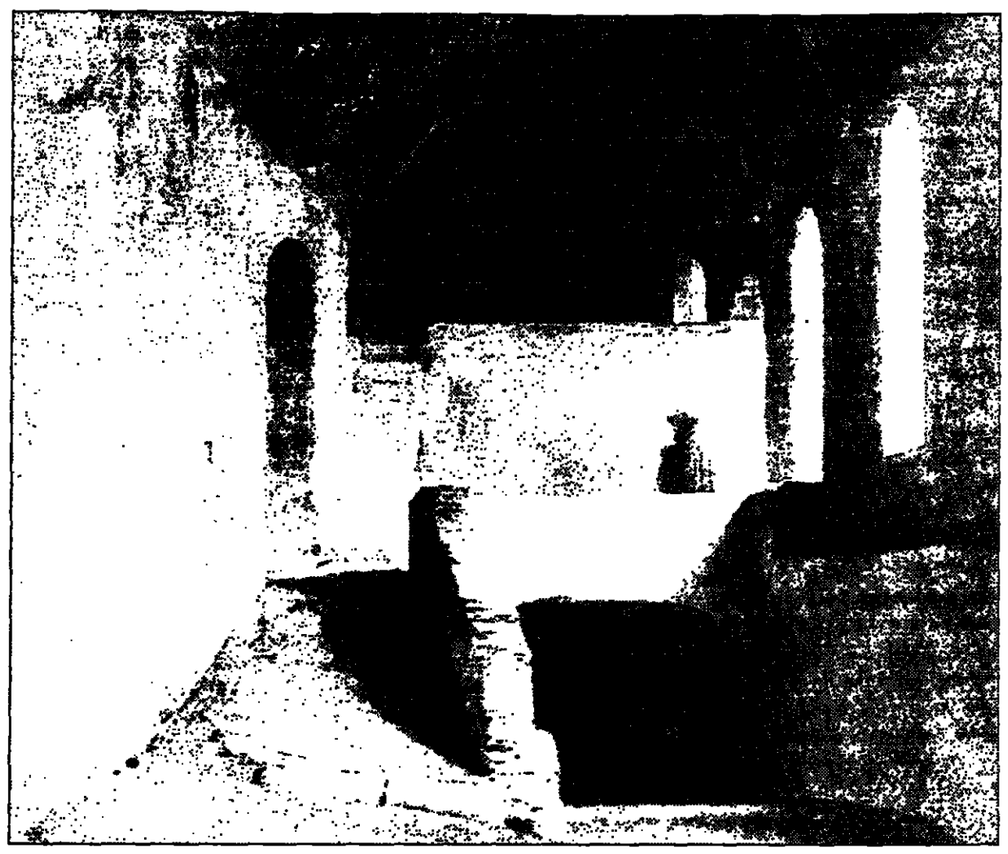
In 1789, Bidauld painted a "View of Tivoli" seen from afar with its tiny houses standing out against the hazy sky on a hill top. Sunlight plays through the leaves of trees on a slope in the foreground, while much further away another hillside is plunged in the shadow which gives its tiny trees a cool green color.

The composition may be traditional, but the light contrasts are not. Nature is clinically observed. The artist chose his angle as if looking through a camera without attempting to rework the detail.

This new scrutiny of nature as it appears to the eye led a painter like the otherwise conventional Pierre-Henri Valenciennes (1750-1819) to look at the sky as no French artist had done before him. A small study in oils shows layers of clouds filling an immense stormy sky over a choppy sea. Jotted down in Brittany, perhaps around 1789, it is quietly, but distinctly, revolutionary.

By the early 1800s, some obscure artists were indulging in bold experimentation, apparently in isolation. Prosper François Irenée de Barigue de Fontainieu spent his life in Marseille. In 1806, he sketched a waterfall tumbling down a rocky barrier, with only a band of sky appearing at the top. The oil study is broadly sketched in shades mostly ranging from brown to ochre. Nothing comes anywhere close to this innovative austere composition in contemporary Europe.

Later, De Fontainieu retained this complete independence when changing his manner. A view of the sea front in Naples shows the mauve expanse of the broad avenue along the harbor. The long, irregular shadows cast in the foreground by unseen structures are an excuse for a study in color and light, echoed in the rendition of the sky. Little attention is given to detail. It may be no great masterpiece, but it is undoubtedly original and surprisingly advanced.



François-Marius Granet, "Intérieur d'un cloître avec un moine," on show at Galerie de la Scala in Paris.

IN the 1820s, equally obscure artists were heralding the manner of Corot's first Roman period several years before Corot developed it. Sarazin de Belmont's townscape with the Coliseum seen from a hill is dated 1824. Sharp light contrasts define shapes. The rough terrain in the foreground, with grass half burnt by the Roman summer, and the light effects on two sculptural fragments, which they chisel afresh, matter as much as the famous monument. Architecture is not the real subject. What counts is color, texture and their transformation through light.

The next jump was made in the 1830s, a decade of greater importance than has been acknowledged. It is as if a number of artists independently became tired of painting lush, neat landscapes, to discover beauty in the banality of unkempt nature.

In June 1832, Alexandre Desgoffe, standing on an eminence, looked at the endless beach at Isigny-sur-Mer. Patches of sand alternating with pools left by the ebbing sea stretch up to a deep blue strip in the distance topped by heavy, billowing clouds.

Three tiny figures looking for shelter in the sand increase the sense of forlorn immensity. No qualifier aptly describes the style of this picture, deeply evocative and yet too accurate in its observation of nature to be characterized as Romantic.

Around the same time, another painter, perhaps Théodore Rousseau, set up his easel in front of the quarries at Saint-Denis and sketched in oil what he saw. No one had yet gazed so intensely at the color and texture of limestone. From the rusty brown of the sky and even the touch of red brick on the tiles of a roof beyond the open quarry, everything seems designed to set off its ivory hues shimmering under the sun that has just come out. The asymmetrical composition, and the very subject, a landscape without redeeming graces, signal a profound break with tradition.

A whole range of styles in the 1830s shared this austerity. In 1838, Paul-Jean Flandrin, better known for his fussily realistic military subjects of later years, painted a landscape of stark nudity in the Roman countryside. A nondescript tract of uneven land in shades of yellowish ochre runs up to a kind of earthen barrier. Beyond, a low spreading mountain rises over the horizon under a whitish sky. There is no subject other than the desolate view painted in spartan colors.

THIS minimalist vision inspired landscapes widely varied in style. "The Temple of the Nymph" was sketched in May 1836 by Jean-Baptiste Frénet. A first impression transcribed in oil on paper, it reduces the view to bare essentials, a strip of toned greens and, above, a long maroon band with the structure rising a little higher on the horizon.

The arid starkness of ancient ruins aroused a new interest that contrasts with the pampered interpretations of the previous century. Alphonse Perrin (1798-1874) painted the Roman arch at Orange gleaming under a noontime sun. It is set against a motley blue sky with wisps of haze rising over the horizon. The foreground is nothing but off-white sandy dust, evocative of the intense summer heat. Stylistically, this is miles apart from the roughly contemporary Frénet. Both escape clear-cut definition, both are highly advanced for their time.

The diversity of the minor painters, the astonishing independence of several of them, are a complete revelation. Most of the paintings have never been displayed, nor published. The hasty improvisation that can be sensed is the main weakness of the show whose very title, "Néo-Classique et En Plein Air" does not do justice to it. There is no catalogue, no checklist. Attributions, where no signature is available, are flatly stated without any attempt at arguing the case.

But in a way, this casual straw poll of the lesser-known artists that preceded Impressionism makes a more convincing case than a carefully thought out demonstration. The level of innovative experimentation and the dilution of well-defined schools that it reveals shows that in art as in science the Revolution had unleashed new energies.

Voices From the Past, Rejoicing in Scandal

By William Powers
Washington Post Service

WASHINGTON — Three hundred years ago, before the invention of stress, life was more charming, one imagines. A notable English news story of 1696 was headlined: "An Account of One Ann Jeffries . . . who was fed for six months by a small sort of Airy People call'd Fairies." Isn't that sweet?

Wait a minute, though. In that same end-of-the-century decade, the public was riveted by another news report, of "a barbarous and most cruell murther committed by one Enoch Evans, who cut off his owne naturall Mother's Head, and his Brothers."

The story, which you can still read today, is accompanied by an illustration of Evans beside the headless bodies, holding a sack from which the maternal and fraternal faces peek out sadly.

The great, reassuring message of "Yesterday's News," the Folger Shakespeare Library's delightful new exhibition of 17th-century broadsides and "newsbooks" — forerunners of our newspapers and magazines — is that centuries may come and go, but human behavior doesn't change much. And the media are always slavering after the dirt, the schlock, the big sensations. Because, then as now, that's what people most want to know about.

Is there really any difference, for example, between reports of those "Matchlesse Monsters of the Female Sex; Elizabeth Barnes, and Anne Willis," who were executed in 1637 "for the unnaturall murthering of their owne Children," and the headline of this week's National Enquirer: "BABY-KILLER SUSAN SMITH IS PREGNANT: Jailed mom shows no remorse for the two sons she drowned"?

Or between the 1679 account of a ship that sailed through the air over Tipperary, Ireland — so close that a dozen witnesses could make out crewmen on the deck — and the news conference held two weeks ago at the National Press Club, where it was reported that NASA is suppressing photos of a glass "castle" hanging more than nine miles over the moon?

Walking through this show, which consists of about 140 rare original English texts displayed in cases and frames lining the library's Great Hall, one begins to feel unusually close to these olden folk. There's no question that they often spent their days in pursuits rather different from our own. "Burning the pope in effigy was a popular pastime for the English throughout the 17th century," notes one of the exhibit labels. But the larger themes of collective existence were strikingly like those of today.

The organizers of the show take pains to make broader links across time. One case containing stories in which national political events impinge on local residents of London is labeled "Metro." And the "Style" case shows how fashion, as well as royal weddings, funerals and trips abroad, was covered.

Sometimes the modern analogies are a little jarring. It's fine to read in the show's notes that "while 'good news' of a political victory or royal birth could bolster authority, the 'negative press' surrounding a diplomatic blunder or military defeat could just as quickly undermine it." But the claim that Charles I's return to London from a journey to Scotland in 1641 was "a carefully planned 'media event'" leaves one wondering if the conceit isn't being stretched a bit thin.

IN the end, however, the mirroring back and forth turns out to be the show's great strength. The recognitions keep us going — and nodding, and grinning — as we see our own manic foibles and fixations for what they are: more of the same. In the retrospect of centuries, the horrible problems over which we wring hands begin to seem fairly comic.

There is one moment, however, when the chronological distance evaporates. It's when you come upon a report of a child who "died with his father's boot-shaped bruises on his back. Deep furrows in the child's lower back and hips indicated a history of abuse," according to the notes. Though much of the nearby "murther" display case is a scream, this story (which appears under "Mayhem") doesn't seem at all funny for having happened so long ago. Stark as the police blotter, it draws the two eras, ours and theirs, even closer in the mind.

Among other commonalities, it turns out journalists were just as reviled back then. The reporter "pries into each man's breast, and would faine know all mens crimes but his own," according to one pressbasher.

We even read of a few journalists who were put to death for their scribblings, including the unfortunate publisher John Twyn, whose "head was hung at Ludgate and his quarters at other gates around the city." (The open mind launches into shameless fantasies involving one or two contemporary figures.)

YES, life was cheaper back then. And either God or the Devil seemed to be behind everything. An Eastertime comet of 1677 is considered not a fun science moment for the whole family, but, according to the consensus of eyewitnesses interviewed, one of those divine "harbingers of vengeance . . . and forerunners of sad and dire calamities." Siamese twins are not fodder for a touching Life magazine cover, as they are today, but "a prodigious monster." And the death of a widow named Margaret Simpson, struck by lightning, is chalked up to the fact that she was "a person of very ill conversation . . . who seldom passed a day without some quarrel or disturbance." And if you read the text closely, it seems that shortly before being struck, the widow Simpson was trying to pass a counterfeit farthing.

Choosing some of these texts for close reading pays off. It's surprisingly easy to penetrate the archaicisms and perceive the meaning, once you get used to reading the script. Regrettably but unavoidably, it's impossible to read beyond whatever page is open for viewing under the glass. Thus, although the illustration accompanying "A Hellish Murder Committed by a French Midwife on the Body of Her Husband" is riveting, the full story is inaccessible. And you may catch yourself hoping for a moment, as I did, that the story will turn up on CNN.

Rijksmuseum Renovation

The Associated Press

AMSTERDAM — The Rijksmuseum, the nation's most prestigious art collection, is reopening its southern wing to exhibit 18th- and 19th-century paintings after three years of renovation.

The 100-year-old wing at the museum has been remodeled at a cost of 21 million guilders ($12.7 million).

The wing, which opens April 29, will house 16 remodeled galleries with exhibits of paintings, as well as Asiatic art, costume and textiles.

The museum is famous for its superb collection of 16th- and 17th-century Dutch paintings.

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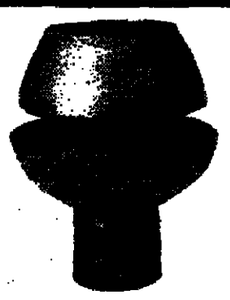

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Wednesday, April 17, 1996

Room 1 at 6:00 p.m. – 17th, 18th, 19th Century FRAMES. Experts: M. J-P. Dillée, M. G. Dillée. On view: Tuesday, April 16, from 11 a.m. to 6 p.m. - Wednesday, April 17, from 11 a.m. to noon, Etude TAJAN, 37, rue des Mathurins, 75008 PARIS. Tel.: (1) 53 30 30 30 - Fax: (1) 53 30 30 31.

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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Stingy EU

The furor in Britain over "mad cow" disease — and its possible link to a rare but similar brain affliction in humans — gave Britain's neighbors in the European Union a chance to rally constructively behind a shell-shocked neighbor. The Union flunked the test.

There is still no definitive scientific evidence that the cow disease, technically known as bovine spongiform encephalopathy, can be passed to humans. But that scarcely matters anymore to worried consumers. Restoring market confidence will require destroying a substantial portion of the country's 11 million cattle.

The crisis took on a European dimension when the European Union imposed a temporary ban on British beef exports. London complains that the ban is unjustified and oversteps Europe's authority. But as a practical matter, ban or no ban, nobody is lining up to buy British beef. The real issues, then, are how many cattle must be destroyed to restore consumer confidence, and who should have to bear the costs.

Britain offered to destroy older animals at the end of their productive lives. Europe wants to destroy younger animals that may have been exposed to the disease. Europe could be right. But even as it demands this more expensive remedy, it insists on being needlessly stingy. London reasonably asked that its partners contribute 80 percent of the money needed to compensate farmers; Europe agreed to only 70 percent.

The difference, about $250 million, may seem small. But the British treasury and trade balance will be hit hard by measures likely to benefit other European cattle producers. More broadly, Europe's stinginess has transformed the episode from a timely opportunity to foster feelings of European solidarity into a fresh source of British resentment.

A sizable segment of Prime Minister John Major's Conservative Party still hankers for the glory days when England defined itself in terms of roast beef and empire and contempt for its Continental European neighbors. Britain's economic and political destiny now lies with the European Continent. Mr. Major has done his best to keep Britain a vital member of the Union even as London has kept its distance from overly ambitious Continental proposals for closer monetary, social and political integration.

Only a week ago, Europe's leaders gathered in Italy to begin a constitutional conference. They talked, as they usually do at such symbolic gatherings, of unifying political visions and common citizenship. But when faced with the beef issue a few days later, they put aside the rhetoric in favor of old-fashioned competitive nationalism.

Had Europe responded sensitively and generously to the beef crisis, it might have given Britain a useful demonstration of the value of economic solidarity and partnership. Instead, it has sown gratuitous ill will.

—THE NEW YORK TIMES.

Keep Bosnian Promises

The question continues to be agitated whether NATO forces might stay in Bosnia beyond December, when their allotted year is up. But it is not a question that can be usefully answered before autumn.

Meanwhile, it is more helpful, now that the principal military tasks of the Dayton peace accords have mostly been done, to zero in on the less spectacular but no less essential civilian tasks of reconstruction, reintegration and reconciliation. The United Nations has designated Carl Bildt, the able former Swedish prime minister, to organize this ambitious agenda.

The effort, difficult enough at face, labors under a peculiar handicap of its own. Each day there is a clutter of good news and bad news from Bosnia. It becomes hard to discern whether the place is being painfully brought together under the Dayton terms or whether it is sinking into deeper and permanent partition. This contributes to a dispiriting fatalism.

But there will be time to sort out the results. Right now the common purpose ought to be to deny external and internal players alike any excuse for reneging on the obligations they took on at Dayton. The Bosnian parties made commitments to comity and democracy. The outsiders pledged aid and pressure. It was a deal.

The promised aid includes money, personnel and expertise. It's coming in, but too slowly. Mr. Bildt should not have to waste his time dunning the donors. The pressure is financial and military. Here NATO's role needs to be sharpened. This poses a test for governments like the United States that promised their people there would be no "mission creep."

But the Dayton language invites more as well as less expansive readings of mission. Tugged by public demand, NATO has now decided to offer assistance and security — though not otherwise to join the pursuit — to investigators chasing after the murderers of 7,000 Muslims at Srebrenica. That's good. But how about taking on a larger role in rounding up the indicted war criminals among the Bosnian Serb leadership so that they will not be able to sabotage or even capture coming elections? That would be better.

—THE WASHINGTON POST.

Truth in South Africa

Prodded by President Nelson Mandela, South Africa's sports council recently voted to let the national rugby team keep the springbok as its symbol, although that antelope had come to symbolize the nation's racist past. In response, the team may incorporate into its badge the king protea flower, a symbol of the new South Africa. And so the nation's extraordinary, precarious journey toward reconciliation continues.

This month, South Africa embarks on a far more difficult stage of that journey, as the Truth and Reconciliation Commission begins hearing testimony on the crimes of apartheid. In return for the truth about the torture and murder of thousands of anti-apartheid advocates over three decades, the commission will offer full amnesty to the security officials and others who carried out the crimes. Some believe that even this non-prosecutorial process violates the implicit deal of forgiveness under which South Africa's white-minority government peacefully ceded power. Others are troubled that the process will permit apartheid's most brutal enforcers to slip away, unpunished.

Many democratizing nations have now gained experience in confronting their totalitarian pasts. They have learned that old wounds do not heal if political crimes are not accounted for. They have also learned that every country must encounter its past in its own way. Where new regimes replace old in sharp, revolutionary breaks, the greatest danger is often of justice sliding toward vengeance. Countries that negotiate a transfer of power, like South Africa, must approach past crimes delicately, sometimes with the accused looking over judges' shoulders from a position of continuing influence. Countries that cannot even acknowledge past horrors, like Russia, are most in danger of repeating them, as in Chechnya today.

It may seem odd, given a system of apartheid that was itself a crime against humanity, to focus on "abuses." But the white rulers of South Africa prided themselves on running a law-based state and operating within their own skewed moral code. They could not acknowledge the secret hit squads, the torture, the fomenting of black-on-black violence. If the truth commission can document these crimes and force the perpetrators to acknowledge them, the panel will perform a great service for South Africa and its future. Those who do not come forward will face prosecution. And even those who are amnestied will be stigmatized.

None of this will comfort survivors and bereaved relatives who believe that they are entitled to more than the truth. Ntsiki Biko, widow of the murdered anti-apartheid leader Steve Biko, is among those suing to block the amnesty process. "What I want is for the proper course of justice to be done," she says.

South Africa's leaders may find such justice politically unfeasible, at least for now. But moral reckoning is another matter. South African society will be dealing with the legacy of apartheid, not just its "abuses," for generations. The truth commission's accounting and official acknowledgment of crimes may make that agonizing process a bit easier.

—THE WASHINGTON POST.

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A Career Built on Merit: Ron Brown's Legacy

By Jim Hoagland

WASHINGTON — As the initial shock of the death of Commerce Secretary Ron Brown in Bosnia subsides, the political and policy consequences of this tragedy emerge: Mr. Brown had positioned himself at the center of this presidency's major concerns and ambitions. His death punches a cavernous hole in the small circle of policy advisers President Bill Clinton actually listened to when making decisions.

Mr. Brown had the president's ear on trade, employment, foreign policy, the direction of the economy and Mr. Clinton's re-election. More than anyone — except Mr. Clinton himself — the commerce secretary stood at the hub of the most important policy spokes in the wheel of this presidency.

I don't mean that Mr. Clinton always accepted Mr. Brown's advice. But his experience running the Democratic National Committee gave Mr. Brown a standing, lacked by most cabinet members, to be heard on just about any issue with the president.

In some cases — I think particularly of China and Saudi Arabia — Mr. Brown's advocacy of U.S. commercial goals hurt America's overall interests. But the serious and tenacious way in which he argued his issues and fought for his department made this administration a more creative, interesting and dynamic government than it would otherwise have been.

Commerce, a backwater in most presidencies, was not Ron Brown's first choice. He had harbored hopes of becoming Mr. Clinton's secretary of state — if not at the beginning of Mr. Clinton's first term, then later on. But a special prosecutor's inquiry into his business dealings had dimmed those hopes.

Even the way he met death was emblematic of national purpose and concerns. Mr. Brown perished in a military plane crash while trying to immerse American business executives and their firms in the reconstruction of Bosnia.

Bosnia is Mr. Clinton's only significant foreign policy gamble. The most difficult and slowest part of the operation is the reconciliation and reconstruction that the presence of 60,000 NATO-led peacekeepers is intended to permit. Mr. Brown undertook his mission to jump-start the stalled process.

It was not a totally altruistic undertaking. As a politician, Mr. Brown saw that the press was more interested in a trade mission in Tuzla than in Turkmenistan. As a businessman, he smelled a buck for American companies in the internationally financed contracts soon to be tendered. As an aspiring statesman, he appreciated the value of personal identification with Mr. Clinton's most visible foreign initiative.

But beyond all that, Mr. Brown's sense of being where the action was probably drove his decision to go on this risk-filled mission. Bosnia was an important piece in a larger strategy of extending America's corporate presence abroad that Mr. Brown was still elaborating when his plane hit a Croatian hillside.

He had quickly translated Mr. Clinton's campaign interest in global competitiveness into an aggressive strategy of getting American companies and goods into lucrative emerging markets. That led him at times to emphasize short-term mercantile advantage over longer-term American interests in stability and the advancement of democracy.

Doing business in China was far more important for him than China's human rights abuses and hostility toward America's foreign policy goals. In Saudi Arabia, he got President Clinton to prod King Fahd to close on an American airliner deal when the king's advisers doubted Saudi Arabia could pay for the planes. The demeaning public image of the president as salesman and the resentment at the Saudi court were costs that Mr. Brown later admitted to aides may not have been worth the commercial gains the deal brought.

Such moments of self-doubt were extremely rare. Mr. Brown was a confident operator, in business and politics, who at times cut corners. But his public accomplishments were of great consequence. The ultimate point that his career should make for Americans is that his accomplishments transcend his being the first black to achieve many of them.

It is not unimportant that he was the first black to head the Democratic National Committee, to be secretary of commerce, and to hold a string of other important jobs. If he had had his way, he would have been the first black secretary of state.

But it was what Mr. Brown accomplished in the jobs he held that will be remembered by history. That is a powerful commentary on the man Ron Brown was and, let us hope, on the evolution of American society away from judging people and their achievements through racial prisms.

Washington Post Writers Group.

The Viciousness Endured by Public Servants

By Anthony Lewis

BOSTON — When Ron Brown died in the plane crash near Dubrovnik, he was on what even the meanest political critic would have to call a mission of public service. He was trying to involve American businessmen in the reconstruction of Bosnia.

This sad event made me think about the price paid for public service in the United States today. For in life, Ron Brown had been subjected to vicious personal attacks. He was under investigation by an independent counsel on matters that had nothing to do with his tenure at the Commerce Department.

The viciousness directed at those who hold public office is staggering these days. There is nothing like it in other democratic countries, where the policies of officeholders are fair game, but not their private lives.

After a recent column *(IHT, April 2)* about reports to the Resolution Trust Corp. that rejected some of the Whitewater charges against President Bill Clinton and his wife, Hillary, I had vile telephone calls about the Clintons. There was a level of hatred that passed understanding.

The hate is undoubtedly fomented for political ends. Far-right radio hosts talk all day about supposed Clinton sins. The Wall Street Journal editorial page has tried to delegitimize Bill Clinton since he was elected, attacking him and aides such as Vincent Foster and Ron Brown. (After his death, a Journal editorial said piously that on his flight "Secretary Brown was serving his country as others served it before.")

Whitewater is the focus of the hate-Clinton industry. Two independent counsels, Robert B. Fiske Jr. and then Kenneth W. Starr, have spent about $20 million so far investigating Whitewater and other charges against the president.

Confronting a level of hatred that defies understanding.

When Judge Lawrence E. Walsh investigated the Iran-contra affair in the Reagan administration, The Journal repeatedly denounced the inquiry as too expensive. Yet that was about a dangerous abuse of the Constitution by the staff of a sitting president, not an inquiry into piddling real estate transactions years ago.

Just how piddling is clear to anyone who reads the Resolution Trust reports. Searching scrutiny is applied to law-firm billings of a few hundred dollars.

The best appraisal of Whitewater to date has just been published in The New York Review of Books by Garry Wills. He is critical of the Clintons for many things, but he understands that these charges have been manipulated and grotesquely exaggerated.

"The same people who minimized Richard Nixon's efforts to use the vast engines of the government ... to cover up crimes committed while he was president," Mr. Wills writes, "have become obsessed with the financial scams" of a minor Little Rock figure, James B. McDougal, the developer of Whitewater.

"Whitewater has been a scandal, but the clearest proved wrongdoing has been by politicians, journalists and professional (well-paid) Clinton critics."

Those who want a decent level of political discourse in this country might hope that the death of Ron Brown would shame the agitators of hate into silence. But, of course, that will not happen.

The New York Times.

Dictators Don't Lie — It's Democracies That Don't Listen

By A.M. Rosenthal

NEW YORK — The advantage a democracy has in dealing with dictatorships is that the latter signal clearly what they intend to do to their victims and enemies. There's just one problem: The democracies keep convincing themselves that the dictators don't really mean it.

At the moment, democracies are busily deluding themselves about one dictatorship in the Caribbean, one in Asia and at least two in the Middle East — a conservative count.

There's no mystery about the candor of dictators. In the daily oppression of their own people, dictators know it is essential that the public understands that torture, prison and death are the inescapable consequence of disobedience or dissent.

When dictatorships plan foreign adventures — aggression by conquest or terrorism — here, too, making their intentions obvious is critically important to them. They need to build up nationalist passions among their people and give them something besides their ruler to hate.

Their bonus is that shouting threats, and meaning them, can soften the victim-nation or its allies into appeasement, making the eventual aggression that much easier.

So it is not the fault of the dictators if the democracies want to think the warning signals cannot be true.

Certainly it was not Hitler's fault that the Chamberlains believed he would not try to conquer all Europe, just the slices they approved. It was not Japan's responsibility that the United States persuaded itself to believe that the Japanese could not possibly mean their warnings that the United States stood in the way of their empire.

Who can blame Saddam Hussein if the United States did not believe he planned to dominate the Mideast? And now: should Colonel Moammar Gadhafi be blamed if his European suppliers want to think that he has built the world's largest chemical-weapons plant just to capture the market in aspirin?

Is it Syria's fault that the United States and Israeli governments beg it to take back the Golan Heights? And if they choose to ignore that Damascus remains a combination barracks, school and convention center of Mideast terrorists, what can Syria do?

As for Fidel Castro: again and again he says that he will not ease political terrorism against Cubans, even if it could end the American embargo tomorrow.

But however often he says it, hordes of Americans, Canadians and Europeans return from Cuban pilgrimages to announce that if the embargo is lifted he will allow elections, a free press, public debate and similar steps he understandably believes will be fatal to his Communist regime.

What does he have to do to convince the fantasizers? Shoot down in international waters American planes armed only with leaflets? Arrest Cuban democrats to whom he had promised permission to assemble? The man has done what he could. But he cannot get anybody to believe him — except Cubans.

China drops missiles into the Taiwan Strait day after day, and has not even promised not to do so again if it chooses. Now, more than a year before its scheduled takeover of Hong Kong, we read that Beijing is scrapping every mechanism of democratic rule it promised to keep after the British moved out.

American business executives and academics tell us: just wait, the current Beijing gang will be replaced by Communists who will call off their nastiness if we just give them more money and arms. But they will not. Dictatorships, including China's, will continue to rule by force. They are aware that doing otherwise would mean their end.

The dictators do their best to convince us. I can think of a few reasons they have not.

The truth is hard for the West to accept because it means trouble ahead. Many Western diplomats and leaders have their favorite dictators, left or right, and make rationalizations for them. Conflicts of interests are at work: careers, business and reputations hang on predictions that a given dictator will reform.

The experts cannot seem to grasp that dictatorships reveal themselves not despite their plans for crimes against international law and human rights, but because of them. Are they fooling themselves or us, or are they simply not terribly bright?

The New York Times.

Continuing Suburban Sprawl Suffocates America's Spirit

By Neal R. Peirce

WASHINGTON — From the heart of Middle America, in a report by The Kansas City Star in Missouri, comes some of the most alarming news yet of the damaging effects of sprawl development.

America's continued "national obsession" with moving out to the edges of suburbia, writes The Star, "has spawned a virus eating us from the inside out. Sprawl has hollowed out the urban cores of America, feeding on racism and government handouts. It has incited a civil war among neighboring towns fighting for business development."

Low-density development drives up infrastructure bills. Desperate for tax revenue because residential development doesn't pay for itself, politicians offer tax abatements and other inducements for footloose companies. Homeowner taxes soar to fill the gap, even while street repairs, schools and libraries suffer.

The inefficiency of hundreds of splintered suburban governments run up costs in ways the first homebuyers never imagined. Add the end of federal water and sewer grants and the scene is set for distrust of government and taxpayer revolts.

Each decade, The Star found, property values crest in a ring about two miles farther from central Kansas City. The "golden ring" of values is now about 16 miles (25 kilometers) out, a feasting circle of profit for developers, contractors, bankers and real estate agents.

But yesteryear's homebuyers are not so fortunate. Property values, not just in the central city but in most older suburbs, are stagnant and declining. The region, writes The Star, "is cannibalizing itself."

The injury to the spirit seems just as grave. A "can do" spirit once made Kansas City an object of envy across the nation. When the city's Convention Hall burned to the ground in April 1900, just a few months before a scheduled Democratic National Convention, leaders and citizens pitched in to rebuild it. Almost miraculously, it was ready when the Democrats arrived in midsummer.

Yet today, The Star reports, "the Kansas City spirit might as well be dead." Why? Because of sprawl.

The Star's list of remedies is familiar: Manage growth better, combat crime, fix up infrastructure, resist new loop highways, finance the arts regionally, stop wealthy suburbs from offering tax abatements to steal the city's industries, consolidate governments, confront racism.

The question is: When will Americans ever listen to these warnings early enough, seriously enough, to make a real difference?

A year ago the Bank of America joined environmentalists to warn that "unchecked sprawl has shifted from an engine of California's growth to a force that threatens to inhibit growth and degrade our quality of life."

Anthony Pilla, Roman Catholic bishop of Cleveland and Northeast Ohio, preaches that sprawl divides people physically and spiritually, isolating the poor especially.

The Chicago Tribune, in its recent "Nation of Strangers" series, warns that the "hypermobility" of the suburban era — working, sleeping, playing, schooling at locations reached only by long auto rides — has broken down the sense of community, created sterile environments and impoverished the national spirit.

"What were once the country lanes of the outer reaches of Chicago, Houston, Philadelphia, Tampa, Los Angeles and so many other American cities," the Tribune wrote, "have become four-lane highways through a mercilessly franchised landscape" ranging from Arby's to Midas Muffler to Taco Bell.

People exposed to the glaring jumble of such sprawlscapes, a Texas A&M environmental psychologist, Roger Ulrich, discovered through simulator driving tests, suffer much higher stress levels than others exposed to rural or parkway driving. Today's roadside blight appears, in short, to be an outright health hazard.

The private New York Regional Plan Association, in 1929 and 1968 reports, called uncontrolled growth the greatest threat to the New York-New Jersey-Connecticut region. Officials failed to listen. Land was devoured 12 times faster than population grew. Suburbia became the region's engine of growth.

But in its 1996 report, the association notes that suburbia suffered as much as the cities through the 1992-93 recession. The myth of suburban economies' invincibility was shattered. Today, says the Regional Plan Association, the threat isn't uncontrolled growth, it's continued region-wide decline. Failing to modernize its infrastructure, the fractured New York region is in peril of losing its global economic leadership to smart, investment-minded European and Asian regions.

Our presidential campaigns have yet to produce a murmur about the scandal of sprawl as it decimates our great cities, devours our landscapes, undermines our sense of community and threatens our economic security.

Republicans routinely reject restraints or guides on growth as anti-business. President Bill Clinton comes from a lightly urbanized state. One of his early backers was the late Sam Walton, a prime town killer and sprawl spreader of the age.

But sprawl is a disease, and a dangerous one. Light a candle that today's cacophony of warning signals will finally wake us up.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Olympic Games

ATHENS — The Crown Prince unveiled the statue of M. Averof, who restored the Olympic Stadium. The ceremony was witnessed by a large concourse of people, and the Hungarian Professor Kemenyi delivered an address on behalf of Hungarian athletes. Due to rainy weather, it is doubtful that the Olympic games will be inaugurated tomorrow [April 6] as originally intended. The French champions who are to take part in the Olympic games have arrived.

1921: Clean Taxicabs

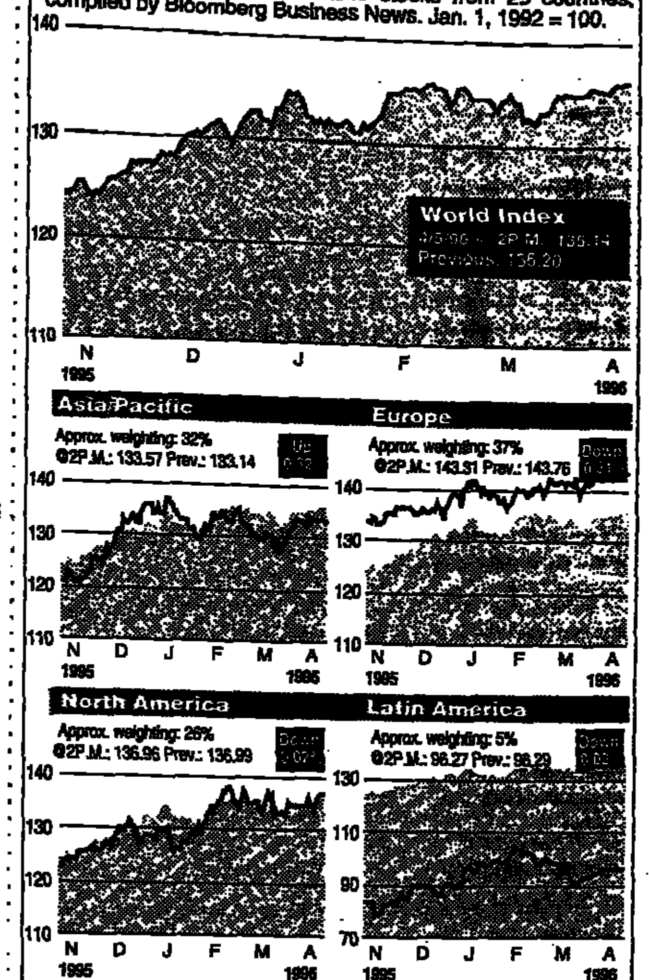
PARIS — According to an ordinance just issued by the Paris Prefecture of Police, the taxicab chauffeur is, under penalty of law, to take pride in the proper appearance and hygienic condition of the interior of his car. Police have been instructed to impound unclean cars. But what about the man with the bag of peanuts, or a banana, or a hard-boiled egg, or a cigar, who leaves the incriminating refuse behind him? Well, the refuse does not incriminate him legally but let him be warned. Justice may catch him on the hip, if the taxicab chauffeur doesn't.

1946: Girls Flee GIs

SEOUL — Among the problems of American occupation authorities in Korea is that Korean girls turn their faces or run away at the sight of "giants with big noses." Koreans, who place a high value on chastity, say the girls are shy because of childhood training. Americans say the maidens are inhibited. One young corporal summed up the American reaction thus: "It beats me. We burn up Japan, and their women are as sweet as they can be to us. We liberate Koreans and their women won't have anything to do with us."

THE TRIB INDEX: 136.14

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

Industrial Sectors

	Fri. @2 P.M.	Prev. close	% change		Fri. @2 P.M.	Prev. close	% change
Energy	142.27	142.70	−0.30	Capital Goods	143.91	143.93	−0.01
Utilities	130.67	130.81	−0.11	Raw Materials	159.40	159.67	−0.17
Finance	124.01	123.72	+0.23	Consumer Goods	143.45	143.68	−0.16
Services	124.36	124.62	−0.21	Miscellaneous	139.59	139.67	−0.06

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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Coping With Executive Loss

Death of a CEO Can Be Fatal to a Company

By Steven Pearlstein
Washington Post Service

WASHINGTON — The reality of "life after Barry" — and Bob and Paul and Len and John — has begun to sink in as a dozen companies across the United States began the painful process of adjusting to the sudden death of a key executive in the plane crash on the coast of Croatia.

The crash of Commerce Secretary Ronald H. Brown's plane on Wednesday represents one of the largest losses of top-level American executive talent in a single tragedy, leaving a void at several companies.

A dozen executives from the telecommunications, banking and construction sectors were among those traveling with Mr. Brown to offer expertise, products and services to help the war-ravaged former Yugoslavia begin rebuilding. Their presumed loss cast a pall over the business world and especially over employees at the affected companies, many of which a day earlier had been giddy at the prospect of landing business in the struggling region.

In some cases, companies moved swiftly to name replacements for those killed. In other cases, co-workers and partners say they are at a loss to figure out how the enterprise will survive.

At Foster Wheeler Corp. in Clinton, New Jersey, the company's directors held a telephone conference call and appointed a replacement for Robert A. Whittaker, who had headed its international energy division until the crash.

A spokesman said the company wanted to signal to its employees and customers that there would be no interruption in its work.

But at the Barrington Group in Miami, a small hotel development firm with some very big clients, an answering service continued to take calls through much of the day.

Just last year, the founder, Barry L. Conrad, had struck a deal with Choice Hotels International to be the chief franchiser of more than 200 inns Choice was to build in Argentina, Brazil, Paraguay and Uruguay. But Thursday, the chairman of Choice, Robert C. Hazard Jr. said that while he would like to push forward with the ambitious expansion, it would be difficult without Mr. Conrad.

"Barry was our spiritual leader, our business leader in our entire South American program," said Mr. Hazard, who also was a friend of Mr. Conrad's. "If there's a partnership, and you lose one of the partners, it's tough."

Air & Water Technologies Corp. of Branchburg, New Jersey, announced that two executives of its French parent company would take over temporarily for Chief

See CEO, Page 10

Emerging Markets Score Buoyant Rise In First Quarter

By Paul Lewis
New York Times Service

NEW YORK — The world's emerging stock markets, including some of the high-risk markets, performed a sharp turnaround in the first quarter of this year, while developed stock markets rose at a modest pace when compared with last year.

In emerging markets from Poland and Turkey to China and Malaysia, stock markets did an about-face. According to the Morgan Stanley Capital International index, emerging markets rose 5.8 percent in dollar terms in the first quarter compared with declines in three of the four quarters last year.

For all of 1995, emerging markets were off by 6.9 percent in dollar terms.

The rebound in these markets appears to indicate that investors have shrugged off last year's Mexican crisis, which knocked emerging markets worldwide into a tailspin.

"It sometimes looks as if confidence in emerging markets has built back up to the point where money is flowing not to cautious countries like Chile and South Africa but to high-risk ones like Venezuela and Turkey," said Kathleen Stephansen, an economist with the New York investment house of Donaldson, Lufkin and Jenrette.

Including the United States, the world's developed markets climbed 3.7 percent from January through March in dollar terms. While that was a respectable performance, it was less than any quarter of 1995, when the world index finished up 18.7 percent on the year.

The Morgan Stanley index shows that markets in 32 industrial and emerging economies rose in the first quarter while slipping in only 13.

As measured in dollars and without dividends being reinvested, Morgan Stanley cites Poland and Turkey as the quarter's best performers among these markets, with respective advances of 32.6 percent and 34.4 percent. Both, however, endured mild corrections in late March.

Other strong performers in Morgan Stanley's index included China, which includes Hong Kong; Malaysia; Venezuela; Portugal; Indonesia; Greece and India, all of which reported first-quarter gains from 10 percent to 14 percent.

A separate index of stock markets in developing countries prepared by the International Finance Corp., the World Bank's private investment arm, records even higher first-quarter gains: from 41 percent to 49 percent in Hungary, Poland and Turkey, and between 12 percent and 15 percent for Mexico, India, Indonesia, Malaysia, the Czech Republic and Zimbabwe.

The Morgan Stanley index and the International Finance measure cover much the same emerging markets, but the two indexes sometimes turn in different results because they pick different stocks and ascribe them different weightings. But for the first quarter, both indexes showed an overall rise of 5.6 percent for emerging markets.

Chile was the most disappointing emerging market, with a first-quarter fall of more than 8 percent on both indexes.

Israel had the biggest fall among emerging markets in March, with a decline of 8.4 percent, as a wave of bombings raised fears for the future of the Middle East peace process. The Tel Aviv stock exchange fell 5.9 percent for the quarter as a whole.

Other emerging markets showing first-quarter declines included South Korea and Taiwan, both affected by political tensions with China, as well as South Africa, Jordan, Argentina, Colombia, Thailand and Pakistan.

Industrial world stock markets turned in solid, if more modest performances. The index of 22 developed countries showed Europe up 3.2 percent, while the Far East ended 1.7 percent higher.

Japan Chip Sales Lead '95 Growth

Bloomberg Business News

SAN JOSE, California — The number of chips sold for personal computers more than doubled in Japan in 1995, much stronger than the worldwide growth rate of 35 percent, according to the Semiconductor Industry Association.

Japan bought 8.17 million microprocessors, which are the chips that serve as the brain for PCs, up from 4 million in 1994.

That amounts to sales of $1.37 million in Japan, up from $715.3 million in 1994.

The U.S.-based trade association said the big increase in Japan was the most noticeable aspect of the world chip market last year.

Sales of microprocessors rose nearly 30 percent in North and South America, the association said, while European sales rose 46 percent. The Americas make up more than 45 percent of the global market.

"These figures show that the surge in sales continues worldwide despite the perceived slowdown in the American PC market," said Doug Andrey, director of information systems and finance.

Chipmakers have said they expect to report lower earnings in the first quarter because of softer-than-expected demand for personal computers, which has meant that production capacity added last year is leading to excess supply and lower prices.

Computer makers had overestimated PC sales for the fourth quarter and were stuck with excess inventory, leading them to cancel orders for more chips. That sent the industry's gauge for demand to its lowest point in more than five years during the months of January and February.

The worldwide market for semiconductors, including microprocessors and other products, is expected to rise only about 20 percent in 1996, half the rate of last year, when sales totaled $155 billion. Some analysts have warned that growth could be as low as 15 percent.

Compaq Computer Corp. has said it will not meet analysts' expectations for first-quarter earnings, and the No. 1 PC maker has cut prices aggressively to lower its excess inventory.

Digital Equipment Corp. has also said that slowing PC demand will cause its fiscal third-quarter profit to be lower than expected.

But both companies noted that the main cause of slowing demand was fewer orders from corporate customers. Other market sectors, including sales overseas, remained strong, they said.

Several chipmakers, including LSI Logic Corp. and Cirrus Logic Inc., also have said they would not meet expectations for first-quarter earnings.

ECONOMIC SCENE

Dollar Stirs After a Long Slumber

By John M. Berry
Washington Post Service

WASHINGTON — At this time a year ago, the dollar was falling out of bed. Day after day the currency hit new lows against the yen and Deutsche mark, with the U.S. government being hammered by critics for not doing more to stem the slide.

To many, the fall of the currency was taken as evidence of some deep flaw in the United States, its economy and its government's policies, particularly its large continuing budget deficits.

Alan Greenspan, chairman of the Federal Reserve Board, called the dollar's decline "overdone" as well as "unwelcome and troublesome," and said defeat of a constitutional amendment to require a balanced federal budget helped undermine the currency.

What a difference a year makes. The dollar has regained the ground lost against the yen in early 1995 and is now almost back to the level of 108 yen of early 1994. While there has been less of a rebound against the mark, the dollar has shown slow but consistent gains against the German currency.

"The dollar's better and we have two-way trading," said Scott E. Pardee, senior adviser to Yamaichi International (America) in New York.

So why the turnaround? The balanced-budget amendment still has not passed. The U.S. trade deficit, often cited as another culprit driving down the dollar, did shrink in the second half of last year, but it was just as large in January as it was a year earlier.

In fact, there was no particular change in U.S. economic policy before the dollar's rebound. What has changed since last spring are the perceptions held by currency traders about the economic prospects for the United States, Japan, Germany and other European countries, the course of interest rates in the various countries and other factors, including government budgets.

Another shift, Mr. Pardee said, involved the repeated forceful statements by Robert E. Rubin, the Treasury secretary, that the United States wanted a strong dollar and had no intention of seeking to reduce its trade deficit through cheapening the currency.

Most of all, the drop in the dollar's value was another case of market overreaction. As the president's Council of Economic Advisers said in its annual report, "The depreciation of the dollar went beyond what many viewed as justified by economic fundamentals."

"What set up the decline in the dollar was everyone's forecast at the end of 1994 for the U.S. economy and interest rates," said Peter R. Fisher of the New York Federal Reserve Bank.

Rates were rising at that point, and many investors and traders mistakenly saw that as evidence that the U.S. economy would boom all year, with the Fed tightening interest rate policy repeatedly to hold down inflation.

"But some rates began to fall right after the first of the year as people began to recognize that these expectations of endless rate increases by the Fed were exaggerated," Mr. Fisher said.

The Fed raised rates just one more time, by half a percentage point; the economy began to cool off and inflation did not shoot up. Meanwhile, the Mexican peso collapsed and threatened to take that country's economy with it, a development that was seen in exchange markets as a major blow to the U.S. economy and the dollar. The investors and traders who had taken positions betting the dollar would rise found themselves with growing losses and they dumped the currency.

Two other key elements in the dollar's plight last year had little to do with the United States at all.

First, many Japanese companies and financial institutions were suffering large losses and needed to bring home foreign profits to cover them. That meant exchanging dollars earned on exports for yen rather than reinvesting the dollars in the United States.

Second, investors were moving money out of several other European currencies, often by way of dollars, and into Deutsche marks because of the strength of the German economy.

Both of those circumstances have changed. Japanese investment flows abroad have resumed more normal levels. In Europe, the German economy looks a lot less strong compared with its neighbors and there is no rush of money into that country.

Russia Ready to Make Ruble Convertible

Reuters

MOSCOW— Russia plans to make its ruble convertible within a few months, the central bank chairman said Friday, but analysts said the country's undeveloped economy would limit foreign demand for the currency.

Sergei K. Dubinin, chairman of the central bank, said Russia would sign Article 8 of the International Monetary Fund's charter soon. That would require it to let the ruble be converted for trade and would prevent multiple exchange rates.

In practice the move would make it easy for importers to obtain hard currency and exporters to retain their earnings. Exporters would no longer be obliged to sell half their hard currency revenue and importers would no longer face a long, costly process of buying hard currency for rubles, said Pavel Teplukhin, chief economist of Troika-Dialog brokerage.

Economists and exporters welcomed Mr. Dubinin's comment, but bankers said just signing the article would have no immediate impact. The dollar edged up 1 ruble Friday, to 4,874, on the Moscow Interbank Currency Exchange.

Bankers said the economy was too weak to sustain convertibility. "It is not enough to sign an article to make the ruble a world currency," said Alexander Osmolovsky, head of the hard currency department at Alfa-Bank.

"It is necessary to make the economy healthier, to move from raw-material exports to exports of manufactured goods that are in real demand."

Daimler Says Probe Is Routine

Compiled by Our Staff From Dispatches

BONN — Daimler-Benz AG said Friday that an investigation of its executives was a routine inquiry based on a shareholder's lawsuit accusing the company of lying about profits.

The Stuttgart prosecutor's office said it was investigating executives of Daimler after receiving a complaint from a small stockholder, Jochen Knösel, who said he had been misled about the company's 1995 results. An investigation is obligatory once such a complaint is filed.

"This process has been going on since the lawsuit was filed," said Roland Klein, a spokesman for Daimler. "From our side we don't know of any new developments."

Mr. Knösel accused Daimler executives of presenting misleading company reports at the stockholders' meeting held in May 1995.

At that meeting, Edzard Reuter, who was then chairman of the company, promised stockholders an increase in 1995 profit from the 895 million Deutsche marks ($604.53 million) posted in 1994. But a few weeks later, Mr. Reuter's successor, Jürgen Schrempp, said losses would have to be expected for 1995.

The loss actually amounted to 5.7 billion DM and the company said stockholders would not receive any dividend for 1995. It was the first year since World War II that Daimler had omitted a dividend.

Mr. Knösel maintains that senior managers knew at the time of the May 1995 meeting that the company was threatened with losses.

(Bloomberg, AFP)

Establishment of Rugmark for Hand-knotted Carpet Industry of Pakistan

Government of Pakistan intends to establish a "Rugmark" for certification of child-labour-free manufacture of hand-knotted carpets.

Highly reputed organizations having expertise in this field may kindly write about their credentials and experience relevant to the project, latest by 15th April, 1996 at the following address:

Mian Habibullah
Chairman, Export Promotion Bureau,
(Government of Pakistan, Ministry of Commerce),
Karachi. Fax: 92-21- 5681868 & 92-21- 5680422.

EPB
EXPORT PROMOTION BUREAU
GOVERNMENT OF PAKISTAN
Finance and Trade Centre,
Sharae Faisal, Karachi, Pakistan
Tel:(92-21) 5660305
Fax: (92-21) 5660300
E- Mail: epb @ epb. kar. erum. com. pk.

CURRENCY & INTEREST RATES

Cross Rates April 4/April 5

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.655	2.526	1.1175	0.328	0.106*	—	5.539*	1.3835	1.5405**	1.258	1.327**
Brussels	28.453	46.538	20.5347	6.0261	1.9446*	18.383	—	25.469	0.2833	22.41	24.54*
Frankfurt	1.4865	2.2599	—	0.2936	0.9484*	0.8944	4.8667*	1.2269	1.3834*	1.0904	1.1958*
London (a)	1.53	—	2.264	7.7201	2,388.46	2.5297	46.518	1.8282	163.725	2.0874	189.265
Madrid	Closed*										
Milan	1,580.00	2,382.35	1,053.70	309.35	—	944.55	51.261	1,308.45	14.55	1,149.50	12.644
New York (b)	—	1.5308a	1.4803	5.038	1,580.00	1.6528	30.41	1.1984	107.048	1.3577	122.78
Paris	5.0465	7.6995	3.4064	—	0.3231*	3.0469	0.1659	4.2121	4.7142*	3.7175	4.072*
Tokyo	107.50	164.42	77.66	21.35	0.69	65.03	353.59	90.18	—	79.25	0.8691
Toronto	1.3576	2.077	0.9170	0.2696	0.0871*	0.821	0.4464*	1.1396	1.2884*	—	1.0197*
Zurich	1.1965	1.8272	0.8082	0.2373	0.0767*	0.7233	3.9833*	—	1.1165*	0.8805	0.9664*
1 ECU	1.2865	0.8394	1.8971	6.4633	2,008.11	2.121	38.9827	1.5342	137.881	1.7383	158.697
1 SDR	1.4585	0.9558	2.16	N.Q.	2,279.86	2.4146	44.3867	1.7482	156.354	1.9791	180.712

Brussels, Milan and Tokyo from April 5; other rates from April 4.
Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers and Toronto rates at 2 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values April 4

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	1.00	Greek drac.	240.44	Mex. peso	7.51	S. Afr. rand	4.105
Australian $	1.2801	Hong Kong $	7.7323	N. Zealand $	1.4676	S. Kor. won	780.00
Austrian sch.	10.398	Hung. forint	147.08	Norw. krone	6.4035	Swed. krona	6.6571
Brazil real	0.9865	Indian rupee	34.013	Phil. peso	26.15	Taiwan $	27.23
Chinese yuan	8.3538	Indo. rupiah	2329.00	Polish zloty	2.59	Thai baht	25.25
Czech koruna	27.25	Irish £	0.6356	Port. escudo	152.34	Turkish lira	71247.5
Danish krone	5.7101	Israeli shek.	3.1325	Russ ruble	4879.00	UAE dirham	3.671
Egypt. pound	3.395	Kuw dinar	0.299	Saudi riyal	3.7504	Venez. boliv.	465.00
Fin. markka	4.6273	Malay. ring.	2.5303	Sing. $	1.4037		

Forward Rates April 4

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5262	1.5255	1.5248	Japanese yen	106.50	106.03	105.63
Canadian dollar	1.3572	1.3576	1.3578	Swiss franc	1.1925	1.1886	1.1853
Deutsche mark	1.4770	1.4743	1.4717				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits April 4

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 3/8	3 5/16 - 3 7/16	1 1/8 - 1 1/4	5 15/16 - 6 1/16	3 15/16 - 4 1/16	7/16 - 9/16	4 7/16 - 4 9/16
3-month	5 1/4 - 5 3/8	3 5/16 - 3 7/16	1 1/8 - 1 1/4	6 1/16 - 6 3/16	4 1/16 - 4 1/8	1/2 - 5/8	4 7/16 - 4 9/16
6-month	5 1/4 - 5 3/8	3 3/8 - 3 1/2	1 3/16 - 1 5/16	6 1/8 - 6 1/4	4 1/16 - 4 3/16	5/8 - 3/4	4 1/2 - 4 5/8
1-year	5 7/16 - 5 1/2	3 9/16 - 3 11/16	1 7/8 - 2	6 5/16 - 6 7/16	3 3/4 - 3 7/8	7/8 - 1	4 9/16 - 4 11/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates April 4

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 1/2
3-month CDs	4.98	4.97
CP 180 days direct	6.11	6.11
3 month Treasury bill	4.98	5.01
1-year Treasury bill	5.19	5.11
2-year Treasury bill	5.81	5.75
5-year Treasury note	6.11	6.04
7-year Treasury note	6.21	6.13
10-year Treasury note	6.34	6.26
30-year Treasury bond	6.66	6.63
Merrill Lynch 30-day RA	4.76	4.79
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.47
1-month interbank	0.59	0.59
3-month interbank	0.63	0.66
6-month interbank	0.78	0.78
10-year Govt bond	3.11	3.13
Germany		
Lombard rate	5.00	5.00
Call money	3.35	3.38
1-month interbank	3.37	3.37
3-month interbank	3.35	3.35
6-month interbank	3.38	3.38
10-year Bond	6.39	6.37

Britain	Close	Prev
Bank base rate	6.00	6.00
Call money	6.00	5 15/16
1-month interbank	6.00	6.00
3-month interbank	6 1/16	6 1/16
6-month interbank	6 1/16	6 1/8
10-year Gilt	8.03	8.07
France		
Intervention rate	3.80	3.80
Call money	3 7/8	3 15/16
1-month interbank	3 15/16	3 15/16
3-month interbank	4.00	4.00
6-month interbank	4 1/16	4 1/8
10-year OAT	6.65	6.60

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Credit Lyonnais.

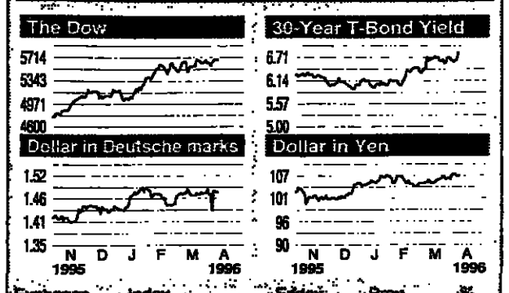
Gold April 4

	A.M.	P.M.	Ch'ge
Zurich	394.25	393.55	−1.20
London	394.30	393.75	−0.90
New York	396.80	397.60	−0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Friday @2PM	Prev. Close	% Change
NYSE	The Dow	Closed	5682.88	-
NYSE	S&P 500	Closed	655.86	-
NYSE	S&P 100	Closed	633.56	-
NYSE	Composite	Closed	351.92	-
U.S.	Nasdaq Composite	Closed	1118.21	-
AMEX	Market Value	Closed	577.30	-
Toronto	TSE Index	Closed	5016.40	-
São Paulo	Bovespa	Closed	Closed	-
Mexico City	Bolsa	Closed	Closed	-
Buenos Aires	Merval	Closed	N.A.	-
Santiago	IPSA General	Closed	5233.84	-
Caracas	Capital General	Closed	N.A.	-

Source: Bloomberg, Reuters — International Herald Tribune

Youth Protest Shakes Up Pepsi

Campus Boycott Grows Over Burma Business

By Jay Mathews
Washington Post Service

NEW YORK — The cola wars have broken out again on U.S. college campuses, with old villains and heroes changing places.

PepsiCo Inc., once applauded for rejecting white-ruled South Africa, is in danger of losing a new generation of customers over its sales of soft drinks in military-ruled Burma.

A rapidly growing national campaign against PepsiCo by student activists appears to be a boon for Coca Cola Co., tainted a decade ago by its South African involvement but now praised for shunning the Burmese military government over its human rights record.

"We don't want to do business with anyone who does business with Burma," said Douglas Steele, an anti-Pepsi first-year law student at Georgetown University who has won an appointment to the university's investment policy committee.

PepsiCo and other companies in Burma say they oppose the military government's abuse of power and would leave if the U.S. government told them to. They argue their activities help the Burmese people by raising living standards and showing the fruits of democracy.

So far, they have found few defenders of their point of view on campus. Students at about 75 schools have begun pasting boycott appeals on Pepsi soft drink machines and lobbying for university trustees to join shareholder revolts against business in Burma.

This week the director of dining services at Harvard University reversed a plan to transfer $200,000 in business from Coca-Cola to Pepsi after several meetings with students who charged PepsiCo was contributing to forced labor in the poor Southeast Asian country.

On Monday, activists at Pennsylvania State University held an anti-Pepsi panel titled "The Choice of a New Genocide" to push for a ban on PepsiCo products and a policy against corporate involvement in Burma. About 2,000 Stanford University students have signed a petition to block a Taco Bell Corp. outlet on campus because the fast-food chain is a PepsiCo subsidiary.

"Burma has become the South Africa of the '90s and the problem that Pepsi has is that they can find people that feel like this on campuses around the world," said Simon Billenness, a senior analyst at the Boston-based Franklin Research & Development Corp.

Mr. Billenness's firm manages about $500 million in investments for clients who want to make "socially responsible" investments — no dictators, polluters or human rights violators. He said that several oil companies, including Texaco Inc., Atlantic Richfield Co. (Arco) and Unocal Corp., have a more significant interest in Burma than PepsiCo, but the beverage and food company is more vulnerable to college pressure because it is consumer-oriented and "built on a notion of youth."

Elaine Franklin, manager of corporate information at PepsiCo, said the company entered a soft drink joint venture in Burma in 1991 with Burmese entrepreneur U Thein Tun. The initial Pepsi investment was only $1 million, but the company has grown to more than $8 million in revenue a year.

The company, with 240 Burmese employees, is the major sponsor of sporting events in Burma, which the military government and the United Nations prefer to call Myanmar. Ms. Franklin said the Pepsi unit has competed successfully against a government-owned company and brought the average price of a 10-ounce soft drink down to 12 cents from 17.

"PepsiCo certainly does not support tyranny and terrorism," Ms. Franklin said. She said Pepsi believes "that we can best promote the well-being of the citizens of a country by providing quality products, employment, social benefits, trading opportunities and introducing new ways of thinking."

Marco Simons, a Harvard junior who helped lead the successful campaign to keep Pepsi off of his campus, said Pepsi's Burmese partner had close ties to the military government, known as the State Law and Order Restoration Council.

Derivatives Proposal Seeks More Disclosure

By Saul Hansell
New York Times Service

NEW YORK — Companies would have to shed more light on their use of derivatives, the often enigmatic and occasionally risky financial instruments, under a compromise proposal adopted by the Financial Accounting Standards Board.

The board, a private-sector group that sets rules on how companies keep their books, has been wrestling with how to account for derivatives for four years, putting forth various approaches that have all been roundly criticized.

By a vote of five to two on Thursday, the board approved what its chairman, Dennis Beresford, said would be the final plan. The standards board said it planned to issue a formal draft proposal for comment in June. After comments, the board hopes to approve the final version by early next year. Those rules would determine how companies must count derivatives.

While the proposal would force companies to report all of their derivatives, the compromise allows them to offset those gains or losses when the derivatives legitimately hedge another transaction.

Despite the compromise, many corporations and accountants are still opposed to the changes.

"This will be very controversial because most people today think our existing model works well for most transactions," said Marjorie Marker, a senior manager at Arthur Andersen, the accounting firm. "There will be hesitancy to change unless it can be demonstrated that the results are more meaningful."

Derivatives "derive" their value from the movement of an underlying financial market or index, typically interest rates, stocks, currencies or commodities.

Corporations most often use derivatives to offset risks in their business dealings. For example, a company that plans to build a factory in Germany over two years could use a derivative to lock in a fixed rate between dollars and marks.

The FASB is concerned because such a transaction does not now appear on a company's books, yet its value can be volatile. In this example, if a company committed to buy marks at a certain rate and the German currency later fell, the contract would lose value. Current accounting does not show that paper loss, because the contract is assumed to be offsetting the commitment to build the factory.

The *FASB originally proposed* that all derivatives be recognized as assets or liabilities on company balance sheets, and that changes in value be taken as quarterly profits or losses. This raised howls of protest from companies that this treatment was impractical and would make their profits too volatile.

The compromise Thursday still calls for companies to disclose all their derivatives on their balance sheets. But in cases where the derivatives can be shown to be hedging other activities, it allows them to enter the offsetting items.

This balancing of assets and liabilities means that quarterly profits would not be affected by changes in the value of true hedges.

The FASB began looking at these rules in part because it believed that what some companies were calling derivatives were really speculative investments, which should have been disclosed.

Procter & Gamble Co., for example, lost *$100 million from two* derivative contracts that were far more volatile than the debt they were meant to hedge.

To prevent similar situations, the FASB plan imposes much stricter definitions of a hedge.

"We wouldn't preclude a company from getting into a risky situation," Mr. Beresford said. "But we would tell shareholders what is happening."

Ms. Marker, the accountant, said that the proposed rules might be too narrow and that some valid ways of hedging risk would show up as if they were speculative positions.

Under Thursday's proposal, "Someone looking at a financial statement would not realize that you entered into a derivative transaction to hedge a risk," she said. She said that these proposals would have the most impact on multinational corporations, banks and firms involved with commodities.

Very briefly:

Conrail Reveals It Bid for Track

PHILADELPHIA (Bloomberg) — Conrail Inc. has revealed that it tried to buy 3,000 miles (4,828 kilometers) of rail lines owned by Southern Pacific Rail Corp. for $1.5 billion before it formally opposed that company's takeover by Union Pacific Corp.

After Union Pacific offered $3.9 billion for Southern Pacific in August, Conrail bid for the track in September. It disclosed the value of its bid in a government filing last week. The offer, which remains open, is for rail linking Chicago and Houston, and New Orleans and El Paso, Texas, said Bob Libkind, a Conrail spokesman.

After Union Pacific rejected the bid, Conrail became the biggest railroad to oppose the Union Pacific-Southern Pacific merger, which would create a railroad with 31,000 miles of track in 25 states. Other opponents include shippers, the Texas Railroad Commission and states who claim the combination would stifle rail competition in the western United States.

• **General Motors Corp.'s** U.S. market share fell to 30 percent in March from 31.9 percent a year ago, according to **AutoData Corp. Chrysler Corp.'s** share rose to 15.8 percent from 15.3 percent as consumers preferred its minivans, pickup trucks and utility vehicles. GM sold 417,792 vehicles in March, while Chrysler sold 217,873.

• **The National Association of Securities Dealers** is proposing a rule to limit computerized trading on its quotation system in stocks mentioned on the daily broadcasts of the financial journalist Dan Dorfman. *Bloomberg, AP*

Dollar Rises on Employment Data

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose Friday after U.S. jobs data for March convinced traders the economy was so strong that the Federal Reserve Board would be more likely to raise interest rates than reduce them.

Government data showed 140,000 jobs added to the U.S. economy last month, more than expected.

"Now the Fed won't ease, and it may hike rates," said Karl Halligan, strategic currency trader at CIC Bank in New York. "I think the dollar can go a lot higher."

The dollar rose to 1.4839 Deutsche marks in Friday's abbreviated session from 1.4803 and to

FOREIGN EXCHANGE

107.685 yen from 107.048. Trading ended early for Good Friday.

Tempering the dollar's gain was a sell-off in bonds. Although stable or rising interest rates makes short-term investments such as bank deposits attractive, that benefit for the currency was impaired by the long-term end of the market, where rising interest rates impair bond prices.

The 30-year Treasury bond's yield jumped to 6.84 percent from 6.66.

The stock market was closed for Good Friday, but last month, when employment figures for February also came in stronger than had been expected, the Dow Jones industrial average fell 171.24 points, or 3 percent, on the news. *(Reuters, Bloomberg, Knight-Ridder)*

CEO: *Loss at Top Can Leave a Firm Reeling*

Continued from Page 9

Executive Claudio Elia, who was killed in the crash of the government jet.

At Parsons Corp., the large, employee-owned engineering firm based in Pasadena, California, there was a tearful moment of silence for Chairman Leonard J. Pieroni, a man once described by a local magazine as the "sort of guy who seemed to know the names of everyone from the highest vice president to the lowest clerk."

Most large corporations now have elaborate succession plans for all their top executives that must be revised each year and approved by the board of directors. But experts say smaller firms are particularly vulnerable to an untimely death, not only because they do not prepare for it but because top executives are involved in giving broad strategic direction and conduct lots of hands-on, day-to-day management.

It was about this time last year that the small staff at Intertect Relief & Reconstruction Corp. in Dallas realized that its founder, Fred Cuny, probably had been killed while trying to provide relief to civilians in Chechnya. His body has yet to be recovered.

Over the previous 20 years, Mr. Cuny had painstakingly built up a reputation among international organizations and relief agencies as something of a miracle worker, who, with a network of associates, could be relied on to get food delivered to starving children in Sudan or get the Kurds out from mountain hideouts in Iraq or deliver water to Sarajevans under siege.

Today, Mr. Cuny's aide-de-camp, Rick Hill, admits it is an uphill battle to keep the operation going. Its revenue has dropped by about 30 percent.

"This company was really built around Fred and his being absent has left a real hole," said Mr. Hill on Thursday. It was Mr. Cuny who got the contracts and Mr. Cuny who personally put together the network of relief workers.

His challenge now, said Mr. Hill, is to build institutional rather than personal ties to its various constituencies. In New York, the investment firm of W.R. Lazard is still reeling from the death of its founder, Wardell Lazard, who was found dead in a Pittsburgh hotel room in May 1994.

At the time of his death, the company was the country's fourth-largest black-owned investment bank. It already had started to suffer from a shrinking municipal bond market and also from a federal investigation of its business practices.

In the weeks following Mr. Lazard's death, company executives pledged to keep the firm going and paid personal visits to the firm's 700 clients. But over the next year, several executives defected to other firms, taking key clients with them and driving down the company's capital to less than $1 million.

Even big companies find that losing executives can be traumatic.

Mathias K. DeVito, chairman of the Rouse Co., said it took him two years to finally find a new president and heir apparent following the death of President Michael D. Spear in a plane crash near Boston in August 1990.

"Within the company, it was a difficult time," Mr. DeVito recalled Thursday. Immediately, he was thrown back doing the kinds of burdensome chores that he had happily passed over to his friend and protégé, such as budgets and salaries.

Staff writers Paul Blustein, Elizabeth Corcoran, Kirsten Downey-Grimsley and Mike Mills contributed to this report.

Mexico Tempted by Pension-Fund Nationalism

Legislators, Backed by Unions, Seek to Freeze Out Foreign Managers

By Anthony DePalma
New York Times Service

MEXICO CITY — After several years of throwing open its economy, Mexico has recently tried to shut some doors to U.S. and other foreign investors, contending that national interests come before trade agreements.

The latest attempt to restrict investment came this week as Mexican legislators, backed by the nation's strongest labor unions, demanded that foreign companies be prohibited from managing new pension funds that will be established next year as part of sweeping changes in the Mexican social security system.

Citing the experience of Chile, where U.S. managers control more than 70 percent of privatized pension funds, the congressmen and labor leaders charge that foreign fund managers would invest their holdings outside Mexico, depriving the country of the benefit of increased savings.

Foreign fund managers could take over the business by offering higher returns and lower costs, the legislators fear.

"This is a case of nationalism," conceded Salvador Mikel, a representative of the ruling party, speaking on the floor of the Congress. "We are simply interpreting the North American Free Trade Agreement in Spanish," meaning to Mexico's advantage.

The U.S. market managers who would be most interested in operating the pension funds think that any restrictions would backfire on the Mexican government's aim of increasing the paltry rate of domestic savings.

"Managing assets requires confidence, skill and trust," said a director of emerging markets research at Scudder, Stevens & Clark in Boston. "No one who can provide these things should be excluded."

Just last month the government decided to restrict the sale of 60 of the 61 government-owned petrochemical plants to Mexican companies or joint ventures in which Mexicans have a majority interest.

In the last few months the United States has put restrictions on Mexican tomatoes, refused to lift prohibitions against Mexican avocados and rejected a plan to allow Mexican trucks to cross the border. 'The attitude now is that the United States is taking a much harder stand than before,' said an economist.

"It was the only politically palatable way to get the process moving ahead," said a senior official, who spoke on condition that he not be named. "So many political factors have gotten wrapped up in the sale that the privatizations became a paradigm for many past problems."

Santander Investment estimates that with the new ownership rules, Mexico will realize only $2 billion on the sale of its four most important petrochemical plants, less than a third of original estimates.

While restrictions against foreign investment pale against the large international presence in such important sectors of the Mexican economy as banking and manufacturing, they are important because they represent such a drastic change in government attitude.

During the presidency of Carlos Salinas de Gortari, from 1988 to 1994, foreign capital was universally welcomed. While President Ernesto Zedillo has followed many of the economic principles of his predecessor, he has slowed the pace of change.

"It's important to remember the devaluation and the crisis it caused between the two administrations," said Jonathan Heath, an economist in Mexico City. "Now everyone in Mexico opposes what Salinas did and anything connected to him is seen as evil."

The new attitude also seems to be formed in part by a perception that the United States is reneging on parts of the North American Free Trade Agreement, which took effect at the start of 1994.

In the last few months the United States has put restrictions on Mexican tomatoes, refused to lift prohibitions against Mexican avocados and rejected a plan to allow Mexican trucks to cross the border. "The attitude now is that the United States is taking a much harder stand than before, so why should Mexico open up," Mr. Heath said. But he added, "I don't think American investors have too much to worry about, because it's a cycle that will end," referring to the political tensions leading up to midterm elections next year.

The restriction against foreign investment in petrochemicals is in accord with a reserve clause of the trade agreement that permits limitations on the sale of assets once reserved for the state. All oil and petrochemicals in Mexico have until now been controlled by the government-owned monopoly Pemex.

The first planned sale of a petrochemical complex, however, was begun before the restrictions were enacted. Three foreign companies and one Mexican company are submitting bids on the Cosoleacaque plant, government officials said.

A decision will be announced on April 26.

The pension fund restriction, if passed, would be on shakier ground than that for the Pemex sales.

The Mexican finance minister, Guillermo Ortiz, told legislators last month that the trade agreement obliged Mexico to open the pension funds to foreign capital from the United States and Canada.

The agreement allows other countries to enter the market as well, but only with less than a controlling interest.

A vote on the legislation is expected before the end of the month. Once approved, the new pension system would be in place next year.

WORLD STOCK MARKETS

Friday, April 5
Prices in local currencies.
Telekurs

Bangkok

	High	Low	Close	Prev.
Adv Info Svc	492	490	492	486
Bangkok Bk F	360	358	360	354
Krung Thai Bk	126	123	125	126
PTT Explor	316	314	314	318
Siam Cement F	1312	1312	1312	1312
Telecomasia	70.50	69.50	70	70.50
Thai Airways	56.50	55	56.50	56
Thai Farm Bk F	308	292	292	306
Thai Telesph	89.50	89	89.50	89.50
Utd Comm	354	354	354	358

SET Index: 1332.24
Previous: 1333.59

Bombay

Thursday, April 4

Assoc Cement	3920	3845	3875	3875
Grasim Ind	585	570	585	585
Hindalco Ind	1145	1125	1140	1140
Hindust Lever	715	710	715	715
Indian Hotels	735	715	730	730
ITC	344	339	341	341
Larsen Toubro	240	229	243	243
Reliance Ind	209.50	205.75	208.25	208.25
Tata Eng Loco	442	438	442	442
Tata Iron St	203.50	199	202.25	202.25

Sensitive Index: 3418.28
Previous: 3407.47

Kuala Lumpur

Genting	22.90	22.70	22.80	22.70
Hicom Hldgs	6.10	6	6.05	6.10
Mal Banking	23.70	23.60	23.70	23.70
Mal Ind Ship F	7.35	7.25	7.35	7.35
Public Bank F	7.20	7.20	7.20	7.15
Resorts World	14.60	14.30	14.60	14.50
Sime Darby	7	6.85	7	6.95
Telekom Mal	23.30	23.20	23.30	23.30
Tenaga	10.70	10.60	10.60	10.70
Utd Engineers	17.50	17.40	17.40	17.60

Composite Index: 1153.09
Previous: 1156.89

Milan

	High	Low	Close	Prev.
Alleanza Assic	13280	12905	12930	13145
Bca Comm Ital	3290	3200	3220	3295
Bca Naz Agricol	950	924	950	935
Bca Naz Lavoro	12190	12000	12150	12000
Bca di Roma	1400	1370	1385	1398
Bca Ambrosian	4220	4125	4135	4200
Benetton	18170	18050	18150	18130
Credito Italiano	1798	1760	1760	1777
Fiat	5190	5110	5110	5185
Fondiaria	6975	6800	6850	6930
Generali Assic	35950	35500	35600	35700
IFIL	4925	4820	4850	4920
Italcement	10450	10280	10280	10420
Italgas	4970	4585	4585	4630
Mediobanca	10120	10000	10005	10130
Montedison	974	957	958	968
Olivetti	810	795	803	811
Pirelli	2795	2755	2770	2775
RAS	15990	15750	15760	16050
Rinascente	10300	10205	10280	10350
S Paolo Torino	8950	8800	8950	8975
SME	1720	1720	1720	1725
Standa	19400	18400	18400	19500
Stet	4555	4480	4490	4530
Telecom Italia	2540	2480	2480	2530
Toro Assic	20000	19700	20000	19650

MIB Telematico Index: 9392.00
Previous: 9462.00

Tokyo

	High	Low	Close	Prev.
Ajinomoto	1260	1240	1260	1240
All Nippon Air	1180	1160	1180	1170
Asahi Bank	1260	1240	1260	1250
Asahi Chem	824	814	823	816
Asahi Glass	1230	1220	1220	1225
Bk Tokyo Mitsu	2210	2180	2210	2170
Bk Yokohama	841	834	835	835
Bridgestone	1820	1800	1820	1810
Canon	2040	2020	2030	2010
Chiba Bank	905	901	905	910
Chubu Elec	2530	2500	2530	2500
Chugoku Elec	2440	2420	2430	2420
Daiei	1280	1270	1280	1270
Daiichi Kang	2100	2060	2090	2050
Daiwa Bank	790	778	790	778
Daiwa House	1680	1670	1680	1680
Daiwa Sec	1640	1620	1640	1640
Fanuc	4500	4440	4500	4430
Fuji Bank	2310	2280	2310	2280
Fuji Photo	3190	3150	3180	3150
Fujitsu	1020	1000	1020	1000
Hitachi	1070	1050	1070	1050
Honda Motor	2230	2200	2230	2220
IBJ	2930	2890	2930	2890
IHI	509	500	507	499
Itochu	764	751	764	752
Ito-Yokado	6360	6310	6350	6330
JAL	790	783	790	775
Jusco	2780	2760	2770	2750
Kajima	1200	1180	1190	1190
Kansai Elec	2500	2490	2500	2490
Kao	1350	1310	1340	1320
Kawa Steel	383	375	381	380
KDD	10400	10000	10400	10000
Kinki Nipp Ry	806	793	803	792
Kirin Brewery	1350	1320	1320	1320
Kobe Steel	330	327	328	328
Komatsu	983	975	983	970
Kubota	748	737	743	736
Kyocera	7430	7300	7410	7290
Kyushu Elec	2520	2480	2490	2470
LTCB	867	841	867	840
Marubeni	615	602	610	602
Matsui	2250	2230	2240	2220
Matsu Elec Ind	1760	1740	1750	1740
Matsu Elec Wk	1180	1160	1180	1170
Mitsubishi	1410	1400	1410	1410
Mitsubishi Cp	572	564	570	560
Mitsubishi El	800	791	800	792
Mitsubishi Est	1470	1440	1460	1450
Mitsubishi Hvy	929	924	925	922
Mitsubishi Mtl	941	936	939	941
Mitsubishi Tr	1740	1700	1730	1710
Mitsui	995	982	993	980
Mitsui Fudosn	1400	1380	1400	1380
Mitsui Trust	1250	1200	1250	1210
Murata Mfg	3700	3700	3700	3750
NEC	1240	1240	1250	1250
New Oji Paper	919	910	917	910
Nikko Sec	1360	1340	1360	1350
Nintendo	7000	6910	7000	6980
Nipp Credit Bk	411	403	406	406
Nipp Express	1050	1030	1050	1030
Nippon Oil	690	680	690	685
Nippon Paper	733	711	729	717
Nippon Steel	369	365	368	365
Nippon Yusen	643	629	641	628
Nippondenso	2200	2190	2200	2180
Nissan Motor	857	850	854	852
NKK	316	311	314	311
Nomura Sec	2360	2340	2350	2330
NTT	8340a	8220a	8280a	8250a
Obayashi	938	928	937	928
Odakyu El Ry	754	744	754	754
Ono Pharm	3790	3760	3780	3750
Osaka Gas	395	385	395	389
Ricoh	1150	1130	1140	1130
Sakura Bk	1230	1220	1230	1220
Sankyo	2500	2480	2490	2460
Sanwa Bank	2140	2100	2130	2110
Sanyo Elec	635	629	635	628
Sekisui	6850	6800	6850	6850
Seibu Rwy	5750	5600	5730	5600
Seikisui House	1340	1320	1330	1320
Seven-Eleven	7270	7200	7200	7250
Sharp	1730	1670	1670	1710
Shiseido	1200	1180	1200	1190
Shin-etsu Ch	2990	2970	2980	2960
Shizuoka Bk	1340	1310	1330	1300
Sony	6450	6370	6440	6390
Sumitomo	1180	1160	1160	1170
Sumitomo Bk	2160	2130	2140	2110
Sumit Chem	559	548	558	552
Sumitomo Elec	1450	1430	1450	1430
Sumit Metal	331	327	329	330
Sumit Trust	1510	1480	1490	1480
Taisei	760	752	760	752
Taisho Pharm	2210	2170	2210	2170
Takeda Chem	1650	1620	1650	1670
TDK	5650	5520	5550	5540
Tohoku El Pwr	2510	2490	2510	2490
Tokai Bank	1290	1250	1280	1250
Tokio Marine	1380	1370	1380	1360
Tokyo El Pwr	2780	2760	2780	2740
Tokyo Gas	388	380	382	381
Tokyu	828	808	828	812
Toray	1600	1590	1600	1600
Toppan Print	1490	1460	1490	1490
Toray Ind	723	713	728	713
Toshiba	821	813	819	812
Toyo Seikan	3750	3680	3750	3720
Toyo Trust	1000	980	986	977
Toyota Motor	2350	2340	2350	2350
Yamaichi Sec	835	817	825	818
Yamanouchi	2460	2420	2450	2430
Yasuda Fire	808	797	808	796
Yasuda Trust	648	643	648	643

cc x 100

Nikkei 225 Index: 21695.80
Previous: 21471.28

Venezuelan Fraud Case in N.Y.

By Peter Truell
New York Times Service

NEW YORK — Orlando Castro Llanes, a Venezuelan financier, his son and his grandson have been charged in connection with defrauding depositors at Banco Progreso Internacional de Puerto Rico of more than $55 million.

Mr. Castro, 70, Orlando Castro Castro, 46, and Jorge Castro Barredo, 28, controlled Banco Progreso and Banco Republica, which were part of his Grupo Latinoamerica until the government took them over in December 1994, when the Venezuelan banking system collapsed.

According to an indictment from a New York grand jury, the three men illegally used the money they appropriated to support other financial institutions that they controlled in Latin America and to boats and an airplane for personal use.

"This indictment charges that these three defendants hoodwinked innocent depositors with a false promise that their bank, Banco Progreso Internacional de Puerto Rico, was a safe and stable institution that would protect depositors' money," Robert M. Morgenthau, the Manhattan district attorney, said Thursday.

Mr. Morgenthau said some of the deposits to Banco Progreso's Puerto Rican unit took place through financial institutions in New York.

The indictment is the first significant U.S. attempt to bring charges against many fugitive Venezuelan bankers now believed to be living in the United States. The three men charged live in Miami.

The Venezuelan government has acknowledged its tardiness in establishing responsibility for the 1994 failure of its banks. The senior Mr. Castro was charged in Venezuela in October with financial crimes, including bank fraud and embezzlement.

"Mr. Castro defrauded the whole financial system in Venezuela," said Jesus Petit da Costa, the country's general prosecutor. He said his country held Mr. Castro responsible for $1 billion of the country's $7 billion of bank losses.

The Castro family was arraigned in Dade County court Thursday, pending a May 3 hearing on an extradition request from New York. "They were denied bond; there was no real hearing, and they are still sitting in the Dade County jail with the thugs and villains from the streets of Miami," said Richard A. Sharpstein, the Castros' lawyer.

Many Markets Are Closed For Easter Holidays

Bloomberg Business News

LONDON — Many financial markets in Europe were closed Friday and will close early Monday for Good Friday and Easter holidays.

On Friday, major European, U.S. and Asian equity, bond and commodity markets were closed. But exchanges in Italy, the Czech Republic, Hungary, Greece, Poland, Russia, Turkey, Thailand, India, China and Japan remained open.

The European Union was closed Friday and will be closed Monday.

Friday was not a U.S. government holiday; Treasury bonds traded and economic statistics were released. U.S. equity, bond and commodity markets will be open Monday.

Most markets in Europe will be closed Monday, except in Spain, Russia and Turkey. South Africa also will be closed.

Most South American and Asian markets will be open Monday, as will Israel. Major exceptions include closures in Hong Kong, Thailand, Australia and New Zealand.

All markets will be open Tuesday, except for Israel, which is also closed Wednesday.

France Rules Out A Third Bailout For Crédit Lyonnais

Reuters

PARIS — France ruled out on Friday a third state rescue package for Crédit Lyonnais and called on the state-controlled bank to accelerate the cleanup of its finances.

"We have excluded the possibility of a third rescue plan," said an official of the Finance Ministry. He did not wish to be named. "We are sticking to the plan approved by Brussels."

At the same time, he urged the country's largest bank to "step up its restructuring efforts" in the face of France's gloomy banking climate.

His comments followed speculation that Crédit Lyonnais might plunge into losses again after barely breaking even in 1995, which could force France to mount a third rescue of the bank after bailing it out twice in the past two years.

The bank last month said it earned 13 million French francs ($2.58 million) in 1995, after accumulating 21 billion francs in losses between 1992 and 1994. It warned that 1996 would be "more difficult" than 1995 because of "weak demand for credit and steadily shrinking margins."

Jean Peyrelevade, the chairman of Crédit Lyonnais, said "measures to deal with the situation will be necessary," but he did not specify what might be required.

Under the 1995 rescue package, the state moved 135 billion francs of the bank's risky loans and assets from its balance sheet and placed them in the hands of a state-backed holding company. In return for approving the package, European Union competition authorities demanded that the bank sell 35 percent of its foreign assets by the end of 1998.

Any further state help would enrage Crédit Lyonnais's private-sector rivals, which have complained that the rescue distorted competition. One of them, Société Générale, has challenged the bailout in the European Court of Justice.

A spokesman for Crédit Lyonnais said the bank was making progress in its restructuring and had already disposed of 25 percent of its non-French assets.

The bank has refused to comment on the possibility of a loss in 1996, which one analyst has estimated could top 1 billion francs. But it has noted the financing of the state bailout has strained its finances.

Because French interest rates have fallen, the bank has said it faces a 3 billion-franc shortfall in revenue from a 145 billion franc loan it gave the state to finance the 1995 rescue.

Philip Morris Buys Paris Realty Rights

Knight-Ridder

PARIS — A unit of Philip Morris Inc. has signed the largest commercial real estate deal in Paris in five years, giving the beleaguered market a major boost, the financial daily La Tribune Desfossés reported on Friday.

Philip Morris Capital Corp. purchased the construction rights on a 118,000-square-meter (1.3 million-square-foot) parcel of prime real estate in the La Défense business district for 3.13 billion francs ($620.2 million).

That price is roughly equal to the entire amount of new investment that went into Paris commercial real estate in 1995, La Tribune reported.

Philip Morris has agreed to finance the construction of three office buildings on the site by 2000.

The seller of the parcel, Lyonnaise des Eaux SA, will be the principal builder for three new buildings and has also guaranteed to provide full occupancy in the properties for 30 years, the newspaper said.

Czech Stocks Claim Spotlight

Prague Starts to Gain on Go-Go Neighbors

Bloomberg Business News

PRAGUE — Investors are taking a fresh look at Czech stocks after markets in Poland and Hungary soared more than 45 percent in dollar terms so far this year.

Prague's PX-50 Index climbed 2 percent this week, finishing at 507.3 points. Strong foreign demand for the Czech Republic's biggest and most-traded companies, including large banks and the telephone company SPT Telecom AS, has pushed the leading index up 17 percent in dollar terms so far this year.

The WIG index in Warsaw is up 46 percent in dollar terms so far this year, while the BUX index in Budapest remains the front-runner, with a dollar return of 52 percent.

ABN-AMRO Bank recommended the Czech market this week, issuing a report that lists Komerční Banka AS and SPT as "buys."

"We basically are optimistic about the Czech market," said Eugene Klerk, an emerging markets equity analyst for the Dutch bank. "The international investor is starting to realize that the country has performed very well from a macroeconomic point view. This will lead to a bigger flow of funds into the republic."

For now, foreign investment is flowing mainly into the biggest companies on the Prague Stock Exchange, with smaller companies dragging down broader indexes.

Analysts said the lack of liquidity for most Czech stocks is forcing investors to focus on only a handful of the largest companies.

"There are actually very few stocks easy to get now on the market," said Pavel Sobisek, an analyst at Zivnostenska Banka in Prague.

The share price of Komerční rose this week after the No. 1 Czech bank reported net profit rose 6 percent in 1995, to 5.1 billion koruny ($187.2 million), in line with general expectations.

Ceska Sporitelna AS, the republic's main thrift, also rose ahead of a planned sale of global depositary receipts. The government is expected to consider soon whether to include part of its 45 percent stake in the bank in the sale.

"We advise first-time buyers into the Czech Republic to look at high-market cap stocks," Mr. Klerk said, "mainly because of the fact that the transparency and liquidity aspect still play a role."

The PX-50 should reach 550 points by December, he said, quoting AMRO predictions, and about 680 by the end of 1997, offering annual local-currency returns of about 25 percent for the two years.

In Poland, the WIG index rose 2 percent this week, to 11,612.3 points, as two issues rose sharply over the week.

Bank Rozwoju Eksportu SA shot up 15 percent over the week, closing at 63 koruny Friday, after it sold $50 million in three-year floating-rate notes, while the brewery Okocim AS gained 10 percent, to finish at 19.20 koruny, as foreign brewers showed interest in a new issues of shares.

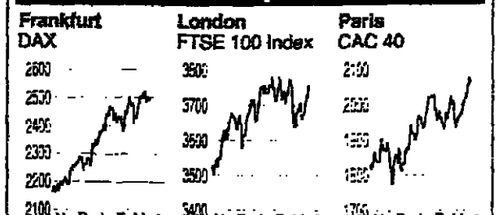
"The market is very reluctant to drop," said Piotr Marczewski of Amerbank in Warsaw. "In the longer term we are going up."

The BUX Index in Budapest rose less than 1 percent this week, as traders awaited first-quarter profit reports due later this month.

Expectations have been strong for Hungary's main export-oriented companies, analysts said, so many expect the market's strong growth thus far in 1996 to continue, although concerns remain about the government's ability to meet its deficit targets.

INTERNATIONAL STOCKS

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	EOE	Closed	536.93	-
Brussels	Stock Exchange	Closed	8,875.32	-
Frankfurt	DAX	Closed	2,495.18	-
Copenhagen	Stock Market	Closed	Closed	-
Helsinki	HEX General	Closed	Closed	-
Oslo	OBX	Closed	Closed	-
London	FTSE 100	Closed	3,755.60	-
Madrid	Stock Exchange	Closed	Closed	-
Milan	MIBTEL	9,392.00	9,463.00	-0.75
Paris	CAC 40	Closed	2,074.96	-
Stockholm	SX 16	Closed	1,983.60	-
Vienna	ATX	Closed	1,067.71	-
Zurich	SPI	Closed	2,312.99	-

Source: Telekurs International Herald Tribune

Very briefly:

- **Lloyd's of London**'s recovery plan has received the backing of an independent study.
- **The Bank of France** has discounted any danger of a shortage of banknotes due to strikes at two printing plants.
- **Saab-Scania AB** of Sweden will not bid for **Fokker NV**, the bankrupt Dutch planemaker has confirmed, but it noted that customers were urging it to produce additional aircraft.
- **Italy** is on course to meet its goal of an inflation rate of 3.5 percent for 1996, Industry Minister Alberto Clo said.
- **City Hotels SA** said **Virgin European Airways** signed a final agreement with it and **NEI** of Luxembourg on Virgin's purchase of 90 percent of **EuroBelgian Airlines SA**.
- **The European Commission** has opened what it called a routine inquiry into the proposed merger of the Swiss pharmaceuticals giants **Sandoz AG** and **Ciba-Geigy AG**.
- **The European Union** has imposed anti-dumping duties on Chinese imports of coumarin, an aromatic substance, saying it had clear evidence that Chinese producers and exporters had altered prices according to the level of trade.
- **Société Générale de Belgique SA** is willing to support **Générale Bank** if the unit sought to make a sizable acquisition, its chief executive told a Belgian newspaper.
- **The Czech Republic**'s trade deficit widened 364 percent in 1995, to $3.94 billion. *Reuters, AFP*

Czech Carrier Orders Boeing Jets

Compiled by Our Staff From Dispatches

PRAGUE — Ceskoslovenske Aerolinie A.S. said Friday it had opted to buy 10 Boeing B-737 airplanes for about $350 million, choosing the U.S. planemaker over the rival European consortium Airbus Industrie.

CSA said it had chosen the 737s as replacements for Russian-made aircraft because it already had Boeings in its fleet and wanted to streamline maintenance and cut costs.

"In our current fleet there are seven Boeings and we have perfect operational experience with them," said Petr Plocek, a CSA spokesman.

CSA already has seven Boeing 737s in its fleet, two of which are rented and the rest leased. It also has two leased Airbus A-310-300s and seven Russian Tupelov aircraft.

The Czech news agency CTK quoted Transport Minister Vladimir Budinsky as saying the choice of Boeing over Airbus was based on "price, training, and the future results of CS through various agencies."

The airline is 81 percent owned by the Czech government. A 19 percent stake in the airline held by Air France was sold back to the government in 1994. The European Bank for Reconstruction and Development holds a 19 percent stake.

Separately, sources said Airbus would get a $390 million order from China when Prime Minister Li Peng visits France next week.

(Reuters, Bloomberg, AFP)

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THE WORLD'S DAILY NEWSPAPER

Pension Funds Expected to Fuel Tokyo Stock Rally

Compiled by Our Staff From Dispatches

TOKYO — Putting aside recent fears of rising interest rates, Japanese investors bid stocks sharply higher Friday, reacting to rumors that pension funds would be making large equity investments next week.

Michio Sugita, head of Deutsche Morgan Grenfell's stock trading department, said: "While foreign investors rested today, domestic players ran out of patience. There are strong hopes that domestic institutions will become more aggressive from next week."

The Nikkei 225-stock average rose 224.68 points, or 1 percent, to 21,695.84. So far this year, the blue-chip gauge is up 9 percent.

The market was awash with price-boosting rumors, including talk that more than one trillion yen ($9.34 billion) would flow into stocks by April 10 from Japan's public pension funds after they canceled contracts with insurers so they could increase their investment returns.

The Pension Welfare Service Public Corp., known as *Nenpuku*, decided to cancel contracts worth more than 5 trillion yen with 18 leading life insurance companies. The insurers have reduced the guaranteed return to clients to 2.5 percent from the previous 4.5 percent.

A futures trader at a foreign brokerage said: "I did not really want to buy, but I could not help joining in. We did not see anybody pushing down the prices, and everybody expects more domestic funds from next week."

Other rumors that helped the stock market were that the government would announce land-tax reforms over the weekend and that there would be an improvement in upcoming U.S. semiconductor-industry data.

Meanwhile, fears of rising interest rates subsided as the Bank of Japan took action to reduce them.

On Wednesday, Yasuo Matsushita, the central bank governor, jarred the markets when he said rising rates were "natural" during a recovery. Investors took his comments to mean the Bank of Japan would tolerate a rise in short-term rates. On Friday, however, the central bank drained 500 billion yen from the banking system, which is expected to push rates lower.

In the bond market, the yield on the 10-year government bond, number 182, fell to 3.11 percent from 3.12 percent.

Banking shares were key beneficiaries of the improved interest-rate outlook. Dai-Ichi Kangyo Bank rose 40 yen, to 2,090; Daiwa Bank rose 12 yen, to 790, and Bank of Tokyo-Mitsubishi rose 40 yen, to 2,210.

Technology issues also did well, aided by a stable dollar, which augured well for their exports. Fujitsu rose 20 yen, to 1,020; Toshiba rose 7 yen, to 819, and Hitachi rose 20 yen, to 1,070. *(Reuters, Knight-Ridder, Bloomberg)*

Index Hopes Lift Stocks In Taiwan

Bloomberg Business News

TAIPEI — Taiwan stocks rose Friday after the government said Morgan Stanley & Co. was considering adding Taiwan stocks to three widely watched global stock indexes.

"This is huge," because it could double the size of the Taiwan stock market, said Grace Lee, manager of the Taiwan New Technology Trust at Jardine Fleming Taiwan Investment Management Trust Co.

The main index of the Taiwan Stock Exchange closed up 3.9 percent at 5,377.19 points.

"Large companies are going to be more visible to foreign investors when Morgan Stanley includes Taiwan in its global indices," a trader at Universal Securities said.

The Securities and Exchange Commission said it expected Morgan Stanley to announce before July that Taiwan stocks would be included in its Emerging Market Free Index and that it would be added on Sept. 2.

Many overseas portfolio managers use Morgan Stanley's indexes to decide which countries they should invest in, traders said.

Honda Is On Track for Profit

Reuters

TOKYO — Honda Motor Co., among the most successful of Japanese carmakers in emerging from the industry's recent slump, is on track to double its profits this year, industry analysts said Friday.

Strong Japanese demand for recreational vehicles, cost-cutting and a weaker yen compared with a year ago will keep the company on a path to recovery, allowing Honda's profits to rise, the analysts said.

Tsunemi Tachibana at Nikko Research predicted Honda would post parent current profit of 83 billion yen ($775.35) in the year to March 1997. Parent current profit is pretax and includes gains and losses on securities investments and other non-operating activities. But it does not include results from subsidiary companies.

Honda has not yet made a profit forecast for this year and will release its 1995-96 earnings in May. In November, the company predicted its 1995-96 profit would be 40 billion yen, and Honda said this week it was sure to achieve that forecast.

Who's Afraid of Tough Talk?

Investors in Taiwan and China, That's Who

By Seth Faison
New York Times Service

SHANGHAI — When sabers rattle, so do the nerves of business people.

The talk of war between China and Taiwan in recent weeks frightened American business executives as much as anyone, and in addition to the obvious danger that military confrontation posed, they had to consider the potential fallout from strained ties between China and the United States. China has blamed the United States for meddling in the Taiwan question.

The hostilities now seem to be in remission. The good news is that there has been little measurable damage to trade. But the bad news is that intangibles — mood, atmosphere, timing — can make a difference in a place as politically sensitive as China.

General Motors Corp., in the middle of negotiating a $1 billion deal to manufacture sedans in Shanghai, appears to be hitting some politically induced snags in the winding course it must traverse through China's bureaucracy before it can start operating.

Xu Junkang, a project manager with GM's partner, Shanghai Automotive Industry Corp., said the project had been delayed in winning approval from the State Council, China's cabinet in Beijing.

"There has already been some delay to our original plan," Mr. Xu told Reuters. "We hope to stay on schedule, but it is up to the government."

An executive at GM said recently that the problem was that, because of the Taiwan issue, Chinese automotive officials did not want to go to the State Council and request approval for one stage of a large U.S.-invested project.

"It's just slowing us down some," the executive said. "We'll get it."

GM was selected in October as a partner for the Shanghai project, with plans to make 100,000 cars a year. But first it has to negotiate a joint venture contract with Shanghai Automotive and then win approval from Beijing.

Stephen Schnell, managing director of GM's Shanghai office, denied there had been any delay in GM's overall schedule and said Mr. Xu had spoken out of turn.

"That guy hasn't really been involved for the past six to nine months," Mr. Schnell said. "The fact is, we have not yet submitted a proposal. We're still doing the feasibility study.

"If you've ever done a Chinese feasibility study, you know that's its got more than 200 pages asking more detail than you would ever believe. But it's part of their state plan, so you have to do it."

Mr. Schnell said he had not felt any impact on GM's negotiations from the strain in U.S.-China relations, and he said the plan was still to submit a joint venture proposal to Beijing in July.

"That is when they reject or approve it," he said. "We are certain they will approve it."

Mr. Schnell also pointed out that GM had recently won approval for two more car component joint ventures near Shanghai, each of them making steering gear.

"We would never say that politics would show up in something like this," he said. "We do not want to get involved in that kind of discussion at all. The government will operate as they see fit."

Anne Stevenson-Yang, director of the U.S.-China Business Council in Beijing, discounted the possibility of strained relations intruding on the operations of U.S. businesses in a significant way.

"I've never known them to make an economic decision because of political reasons," Ms. Stevenson-Yang said, referring to China's State Council.

Small businesses react differently in a political crisis than large multinationals, she said.

"They get nervous or back off deals," she said. "There's been some of that."

But large companies have to take a longer-term view, she said.

"If you're in China because you have to be, because the market is so large and you have to position yourself against competitors, you can't afford to rip up an agreement" when a political crisis emerges, she said.

Buyers Flock to Zhangjiang IPO

Compiled by Our Staff From Dispatches

SHANGHAI — An initial public offering of 22.5 million shares in Shanghai Zhangjiang High Technology Park Development Co. was 71.36 times oversubscribed, which shows a lack of choice for Chinese investors, analysts said Friday.

"This is the first Shanghai company to sell stock for two years and Shanghai investors like Shanghai stocks," said Zhang Tao at Shanghai Shenyin Securities Co.

The Shanghai Stock Exchange said only 1.4 percent of investors who applied for Zhangjiang stock will receive the A shares, which were reserved for Chinese buyers. The successful applicants were chosen by lot. Zhangjiang will raise about 138 million yuan ($16.52 million) by selling shares at 6.15 yuan each to investors.

The flood of subscriptions caused the Shanghai stock exchange to break down on Wednesday and underwriters processed applications until late Thursday. The issue was supposed to have been completed on Wednesday.

The official China Securities newspaper criticized Friday what it called a quick-profit mentality that led to the oversubscription and reflected a "false prosperity on the primary market."

"The crazy oversubscription of Zhangjiang shares makes a mockery of China's secondary market, whose combined share value is only dozens of billion yuan," it said.

But analysts said the rush to Zhangjiang shares was symptomatic of a lack of investment channels. China's two stock markets have performed miserably over the past two years, while the futures markets have been battered by speculative boom-and-bust cycles and government crackdowns. *(Reuters, Bloomberg)*

China Says Economic Zones Will Stay

Reuters

BEIJING — Prime Minster Li Peng has reaffirmed China's commitment to its so-called special economic zones and indicated that poorer inland areas would be developed, but not at the expense of the coastal areas.

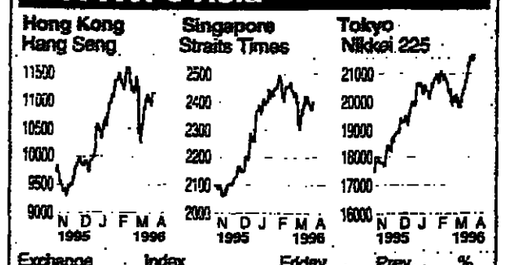
"The basic policy is unchanged," Mr. Li said in the official People's Daily. "The mission of SEZs as experimental regions of reform has not been completed."

The role of the zones, or SEZs, as the engine of China's economic growth had been cast into doubt by Beijing's decision to gradually phase out investment and tax privileges for foreign investors in the zones and to equalize tax policies between them and other cities. Mr. Li said some tax privileges had time limits, and their cancellation was inevitable.

The zones, in the cities of Shantou, Xiamen, Zhuhai, Shenzhen and the island of Hainan, were set up in the 1980s, offering tax incentives and other perks for foreign investors to spark economic growth. But Beijing now says such privileges run counter to international practice and fair competition, and that foreign and domestic firms should be treated equally.

Hu An'gang, a Chinese economist, hailed the change, saying it was necessary to allow provinces in central and western China to catch up.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	Closed	-
Singapore	Straits Times	Closed	2,396.48	-
Sydney	All Ordinaries	Closed	2,222.50	-
Tokyo	Nikkei 225	21,695.84	21,471.28	+1.05
Kuala Lumpur	Composite	1,153.09	1,158.09	-0.26
Bangkok	SET	1,333.34	1,333.50	-0.01
Seoul	Composite Index	Closed	881.50	-
Taipei	Stock Market Index	5,377.19	Closed	-
Manila	PSE	Closed	Closed	-
Jakarta	Composite Index	Closed	605.09	-
Wellington	NZSE-40	Closed	2,132.90	-
Bombay	Sensitive Index	3,443.86	3,410.28	+0.98

Source: Telekurs International Herald Tribune

Very briefly:

- **Japan** will forge a consensus by mid-June on how to make the **Bank of Japan** more independent, a key to future money policy, a senior coalition policymaker said.
- **Japan Air Lines Co.** plans to start importing jet fuel from Singapore, possibly in June, following the liberalization of oil product imports. Japan allowed the import jet fuel, gasoline, gas oil and kerosene since April 1, when a law limiting such imports to refiners expired.
- **Japanese** exports of videotape recorders fell 44 percent in February from a year ago and exports of color televisions dropped 53 percent as companies moved production overseas, the Electronics Industry Association of Japan said.
- **Japan** is preparing for high-level talks with the **United States** on insurance deregulation, Wataru Kubo, Japan's finance minister, said.
- **Daiei Inc.** has set up a joint venture with **Shanghai Hualian (Group) Co.** to open convenience stores in China. Daiei will hold 70 percent of Shanghai Hualian Lawson Co., which will be capitalized at $5 million.
- **Konka Group Co.**, China's second-largest color television manufacturer, said earnings rose to 267.7 million yuan ($32.05 million) in 1995 from 226.5 million yuan in 1994 as its domestic market share improved.
- **China's Civil Aviation Administration** still plans to list shares in China Eastern Airlines and China Southern Airlines in New York, despite two years of delays, the official Xinhua news agency reported.
- **Vietnam's** industrial production rose 12.4 percent during the January-March quarter from a year ago, with total production worth 21.25 trillion dong ($1.9 billion).
- **Thai Union Frozen Products PLC**, the controlling shareholder of Thailand's largest tuna canner, plans to buy a cannery in California from **H.J. Heinz Co.** for $10 million. Thai Union will set up a new company in the United States called **Thai Union International Inc.** *Bloomberg, Reuters, AP*

Banks Pledge Closer Ties

Compiled by Our Staff From Dispatches

TOKYO — Monetary authorities from 10 Asian economies said Friday they would increase their cooperation to stabilize financial markets and currencies.

But the participants in a symposium here — Australia, China, Hong Kong, Indonesia, South Korea, Malaysia, the Philippines, Singapore, Thailand and Japan — fell short of coming up with any fresh measures to achieve enhanced cooperation.

Japan said it would "not be reluctant" to sign repurchase pacts with other Asian countries. Many Southeast Asian states already have such agreements, under which central banks needing U.S. dollars are able to borrow foreign reserves from each other against collateral in the form of U.S. Treasury bills. They can then use the dollars to help stabilize their currency markets. *(Reuters, Bloomberg)*

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PAGE 14

THE MONEY REPORT

FIRST COLUMN

The Past Is Not Prologue

HERE is a proposition for you: If it's cloudy today, it's reasonable to expect it to be cloudy tomorrow. Readers who believe that have probably already lost a lot of money, and are doubtless now engaged in assessing the investment merits of some highly attractive but unfortunately nonexistent Siberian gold mine.

The point is this: Idiotic straight-line projections about the weather offend even the most rudimentary notions of common sense, but this does not appear to be the case when ordinarily intelligent individuals are asked to make a decision about their finances.

The cliché is also a truism: Past performance really does offer no indication of the future direction of a security, a fund or a market. And yet there are hordes of self-styled analysts who make a good living from selling their interpretation of performance charts.

The central concept of their business is that from looking at the past — essentially the past as recorded by the pattern made by a security's price — the future can be predicted. Technical terms like "cyclicality" are used to describe a financial version of gravity — that what goes up must come down.

Rationalists will tell you that markets move according to hard financial fact and the markets' perceptions of them.

They have a good point.

But those who believe in cyclicality will ignore the mixed economic outlook and admire the shape of the Latin American market charts, which dipped dramatically at the end of 1995 and are still some way from full recovery.

M.B.

Deep in Recovery, Mexico Puts True Believers to the Test

By Conrad de Aenlle

Investing in Latin America

Page 15
Peru and Venezuela, without tears
Best bets in ADRs
How Argentina came back

LAST spring Mexican stock and debt markets hit bottom, a long way from the top. The intervening year has been volatile and not very productive, but money managers declare with some confidence that the economy and markets have turned the corner.

Not enough confidence, though, to make substantial purchases: That will come only after they are convinced that Mexico is on a road that will lead to sustained growth and sound fiscal management.

Pessimists point out that the growth factor has been absent for a couple of years, and sound fiscal management has rarely been present, as Mexican authorities usually react to economic developments, rather than anticipate them.

Optimists say this has changed.

"The Mexican authorities are following a far more proactive management of expectations and also rebuilding confidence in monetary policy," said Emily McLaughlin, director of the Latin America desk at Foreign & Colonial Emerging Markets, a fund-management company.

"They have kept interest rates slightly higher than is necessary rather than slightly lower, which is a fundamental change in policy. They have always been behind the curve, now they're ahead."

The authorities are keeping rates high in order to defend the peso, which after its collapse in late 1994 needs all the defending it can get. Until then, rates on Treasury bills, known as Cetes, were relatively low, around 16 percent. That was all that international money managers needed to be paid, so great was their faith in the government's ability to keep the peso aligned with the dollar.

When the government held economic data back from the International Monetary Fund — data that when it was finally revealed showed glaring weaknesses in the Mexican economy — the faith of international investors was shaken and they dumped their holdings. The stock market sank; interest rates shot up. Because of the currency devaluation, many Mexican investments lost three-fourths of their dollar value in a span of three or four months.

Prices have recovered since then, although there has been considerable volatility.

The stock market has risen about 10 percent this year in dollars, bringing the increase since the bottom last spring to about 80 percent. That still leaves shares at half the value they had attained late in 1994. Any rise from here would be achieved despite Mexico's limited prospects for economic growth.

"Mexico has the lowest savings rate in Latin America," Ms. McLaughlin said. "They need to curb consumption. That economy is not poised to take off. Exports are not enough."

The economy certainly did not take off last year. Gross domestic product fell by 6.9 percent and industrial production was off 4.9 percent. Meanwhile, inflation spiked up to 8 percent a month after the peso's demise, then eased back and fluctuated between 2 percent and 4 percent, much higher than before the devaluation, when it remained well below 1 percent a month.

Stuart Parkinson, senior economist at Morgan Grenfell, said the economy is likely to show an improvement this year and next, but he stressed that after such a dismal year, the 2 percent to 3 percent growth he is forecasting can only barely be called a recovery.

"We're struggling to see Mexico grow this year," he said. Small GDP growth "is the result of the huge collapse in early '95 and stabilization since then. Just work through the math: After such a collapse, any recovery looks like nice growth. People are going to say the economy has recovered, but the capacity to grow is quite limited."

Not all the economic news is bad. Inflation is thought to have dipped back to 2 percent during March, near the low end of its recent range. Economists at Morgan Stanley note that the nation's money supply, a rough indicator of inflation, has fallen close to 20 percent since December, reaching the government's target ahead of schedule.

The recent inkling of renewed, if unspectacular, growth and the stability of the peso have persuaded Foreign & Colonial to increase its stake in Mexico.

"Volatility has moderated, that's the important thing," Ms. McLaughlin remarked. "In the short term many people could be surprised. There has been an incremental improvement month to month. People are still negative to neutral on Mexico. They should be putting more money in."

She noted that share prices are relatively cheap, based on widely followed valuation measures such as the ratio of price to cash flow and price to book value. Anticipating a further moderation of inflation, she has been concentrating on stocks that should benefit from lower interest rates.

Even if Mexico has stabilized and authorities have learned their lesson and become more fiscally prudent, it will be a long while before foreign investors come back with the same enthusiasm as in the early 1990s.

Those who have returned do not seem to have their hearts in it, Ms. McLaughlin said: "Most people are taking a second look at Mexico. They're saying, 'I don't believe it, but I can't be left behind.' We would like to be believers, but the jury's still out on how they're going to dig themselves out of this hole."

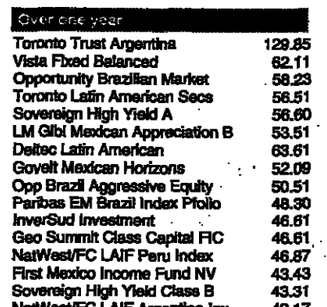
Susanne Carrington, a Latin America fund manager at Robert Fleming, is not convinced, either. She said that the cheap peso had brought in some foreign direct investment but that portfolio investment is "a bit trickier." She said Fleming's ownership of Mexican stocks was slightly greater than its expected weighting in an international portfolio but she conceded that the tight-money policy of the central bank might make Cetes a better bet than equities.

Her advice to anyone wanting to invest in shares is, "Be very careful, buy only quality."

Mr. Parkinson said Mexico is the smallest market, in relation to its size, in Morgan Grenfell's Latin American portfolios. With monetary policy tight and bank lending and foreign investment weak, there is little to propel the economy and the markets, he said.

The Money Report is edited by Martin Baker

A Rollercoaster Ride



Latin America Funds

Total % return in U.S. dollars, to Feb. 29, 1996.

Over one year		Over three years	
Toronto Trust Argentina	129.85	Vertice de Investi Casp Estrang	289.84
Vista Fixed Balanced	82.11	Patrimonio New Fund Equity	262.10
Opportunity Brazilian Market	58.23	JPBT Latin Fund Inc	216.52
Toronto Latin American Secs	58.51	Deltec Latin American	166.34
Sovereign High Yield A	56.60	Brazilian Investment SA	145.76
LM Glbl Mexican Appreciation B	53.51	Eternity Fund	133.61
Deltec Latin American	53.61	Opportunity Fixed Income	126.83
Govelt Mexican Horizons	52.09	Opportunity Brazilian Equity	124.89
Opp Brazil Aggressive Equity	50.51	Opportunity Brazil Fxd Income	124.08
Paribas EM Brazil Index Pfolio	48.30	Vertice III de Inv Cap Estrang	123.21
InverSud Investment	46.61	Equity Fund of Brazil	118.70
Geo Summit Class Capital FIC	46.61	Alpha Latin America	115.52
NatWest/FC LAIF Peru Index	46.87	Genesis Chile Fund Ltd (Fd)	108.40
First Mexico Income Fund NV	43.43	Umbrella Debt Fd Brazil Fl	93.04
Sovereign High Yield Class B	43.31	Infinity Ltd	90.08
NatWest/FC LAIF Argentina Inv	43.17	Star High Yield	87.49
Atlantic Sovereign Fund	42.16	GT High Growth	83.59
Merrill Americas Income A	42.04	LM Glbl Mercosur Equity B	82.48
Merrill Americas Income C	40.97	South America Fund	77.24
Mexican Investment Co	40.75	Brazilian Equity Fund	76.91

Source: Micropal (funds); Bloomberg

Over five years	
Vertice de Investi Cap Estrangeiro	1097.06
Deltec Latin American	332.01
Genesis Chile Fund Ltd (Fd)	311.10
Toronto Trust Chile Fund	282.74
Schroder Latin American	272.53
Equity Fund of Brazil	264.41
Brazilian Investments SA	259.62
GT Chile Growth	227.71
Chile Fund Inc.	223.11
Five Arrows Chile Fund	212.96
Latin American Emerging Mkts	201.34
New World Investment Fund	199.30
Share Latin America	182.36
Latin America Investment Fund	158.78
Brazil Fund	148.36
Brazilian Investment Co	134.26
Equity Fund of Latin America	123.45
Latin american Inv. Trust (Und)	102.20
Argentinian Investment Co	98.41
First Mexico Income Fund NV	97.73

Latin American Indexes Play by Their Own Rules

By Digby Larner

In a region as large and diverse as Latin America, putting together a meaningful stock market index is a difficult task. The mix of countries at varying stages of economic development means that gauging how much influence each one should carry in Latin America's overall performance is a difficult task.

For international investors, the job is complicated further by their need to separate investable shares in the region from the aggregate of stock market gains and losses. There is little point in getting excited about a Chilean bull run if the few shares international investors can buy there are on a downward trend.

Apart from the restricted availability of specific shares, some entire asset classes can only be traded between local investors. Mexico and Venezuela, for example, are wary of allowing international investors into their banking sectors. Even shares that are officially investable internationally can be effectively impossible for foreigners to buy because they are rarely traded.

Alternatively, non-domestic investors may be restricted to holding only a portion of a corporation's share capital. Such shares might trade regularly and freely but be hard to get hold of — especially in the volume needed to mirror their weighting on the local index.

In spite of these difficulties, there are several indexes that give a picture of the region's performance. Among the best known are the Barings Emerging Market Index in London, the International Finance Corp. index in Washington, Morgan Stanley Capital International in New York and the Latin American portion of the International Herald Tribune World Stock Index.

Although the BEMI tracks only investable shares, ING Barings also has an extended version for investors who want a broader picture of the region's performance.

Both MSCI and IFC have indexes covering stock market performance in the region plus indexes comprising only those shares accessible internationally. Each one claims to cover at least 60 percent of the region's stocks.

The Trib Index for Latin America was launched in 1992 and is compiled by Bloomberg Business News. It tracks only investable shares and concentrates on each country's ten largest stocks in terms of market capitalization.

An ING Barings analyst, Chris Littell, said almost two-thirds of the BEMI weighting is split between Brazil and Mexico, with Brazil counting for nearly 39 percent and Mexico just over 27 percent. The balance is divided among the region's other markets, he said.

Those investing in one of the most common investment media for the region — the American depositary receipt — face problems of a different kind. ADRs are U.S.-quoted securities that generally behave similarly to the stock of the company issuing them. But the performance of an ADR can differ significantly from that of the underlying stock.

So, while indexes cover share prices across Latin America, they give at best a sketchy picture of ADR performance. Sometimes the value of the stock and ADR markets can diverge wildly, especially where the number of ADR issues is considerably smaller than the number of stocks each market trades.

The Mexican devaluation crisis at the end of 1994 is a case in point, analysts say. Before it took hold, roughly half the country's shares were held by foreigners. These were the first to be sold off, causing Mexican ADR prices to collapse ahead of shares traded locally.

But aside from these occasional blips, the ADR and local markets broadly move in tandem thanks to arbitrage between the two, Mr. Littell said. Shares traded at different prices between the ADR and local markets are inevitably bought at the cheaper price and sold by investors into the more expensive market in order to show a quick profit. Over a short time this levels the price between the two markets.

Frédérique Carrier, an analyst with Latinvest Securities in London, said that although there is no index of ADR performance for the region, ADRs generally trade at a premium to the local stock markets.

However, she warned that in countries like Brazil, which has an active stock market but few ADRs, the short-term deviation between the two can be enormous. Those invested in ADRs can lose value way ahead of any correction showing on the region's indexes.

She added that the long-term performance of Latin American indexes can also be confused by periodic readjustments made to local indexes.

"Local indexes are sometimes altered to take account of changes caused by events such as new share issues," she said. "To get an accurate view you have to look at the broad index plus the underlying stock markets."

Tracking Regional Performance

Weightings of the Latin American components of the Barings Emerging Market Index, and relative investment level by ING Barings Securities

	BEMI Latin America	ING Barings Securities Investments
Argentina	19.2%	13.5%
Brazil	38.9	38
Chile	12.7	10
Colombia	2.9	5
Mexico	22.5	29
Peru	3.6	5
Venezuela	1	1

Source: ING Barings

Low Inflation Promotes Higher Hopes for Brazil

By Judith Rehak

BRAZIL, for years the sickly giant of Latin America, is looking surprisingly healthy these days. Mexico's devaluation of the peso hit its stock market hard last year, but it has more than recouped those losses: The São Paulo Stock Exchange, or Bovespa, surged 13.4 percent in the first quarter.

After narrowly avoiding a recession, the economy is expected to grow a solid 4.5 percent in 1996, with corporate earnings picking up by roughly 20 percent. Most important, hyperinflation, Brazil's nemesis for decades, is at long last being defeated.

"Brazil has been on the right track since June of 1994, when the government's anti-inflation plan started," said Saulo Holtzman, an analyst in Alliance Capital Management's São Paulo office. He expects inflation to run at about 14 percent this year, compared to 30 percent a month before the plan started.

"Another thing that is helping," he added, "is that after the Mexico crisis, we restricted imports and speculative foreign investment, to avoid what happened there. That was a warning to Brazilians not to make the same mistake."

International investors say they are mightily impressed with Brazil's turnaround. Moreover, they are displaying their enthusiasm by pouring money into stocks that in their view look cheap, but poised for a growth spurt.

Robert Meyer, who runs Morgan Stanley's Latin America fund, is especially positive on Telebras, the government-controlled telephone company, where he expects higher tariffs will double earnings this year.

At Montgomery Capital Management, Josephine Jiminez, who follows Latin America for its emerging markets fund, has just raised Brazil to the fund's highest weighting, 19 percent. One of her favorite blue-chips is Electrobras, the country's electric utility, which will start selling off subsidiaries this year.

"What's interesting is that it is in the midsts of privatization, and once that's done, it will set the stage for expansion, since Brazil can't continue to grow its industrial base without power," said Ms. Jiminez. "That signals something very positive."

Privately owned companies also are attracting investors. Real interest rates, now roughly 16 percent, compared with 30 percent to 60 percent two years ago, are expected to decline further in 1996, making capital for expansion more accessible. And with dramatically lower inflation leaving more cash in the pockets of Brazil's working class, consumer-oriented stocks are doing especially well.

"Soft drink and beer consumption grew 20 percent last year, and usually that's in single digits," noted Mr. Meyer, who owns a stake in Brahma, Brazil's largest brewery.

Ms. Jimenez likes Lojas Renner, an apparel retailer that operates in southern Brazil and has an aggressive expansion program underway, and Coteminas, a textile company that makes everything from bed linens to thread. "It's a real growth stock," she said. "They're operating at full capacity, and they're going to triple that."

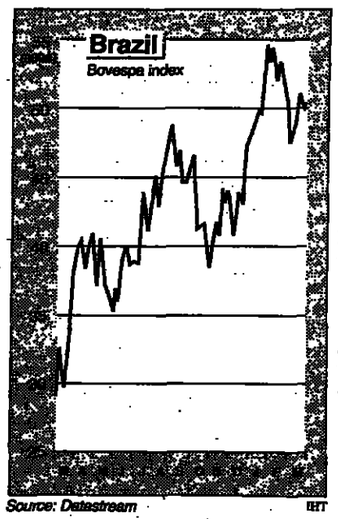
Another sector that interests international investors, but on a selective basis, is banking. Brazil's new fiscal regime has been a rude awakening for some banks, accustomed to easy profits from spiraling inflation. The government has been forced to bail out five institutions at a cost of more than $10 billion, and recently, President Fernando Henrique Cardoso narrowly averted a congressional investigation into alleged fraud at Banco Nacional, a collapsed private bank. The episode jolted the stock market temporarily and cast doubt on the whole sector.

"It's a bad period for banks right now, and I expect a lot of consolidation," Mr. Holzman said. But that spells opportunity for others.

"I'm buying the sector," said Peter Gruber, who runs Latin America funds for Globalinvest, an offshore asset manager. Among his holdings are Banco Bradesco and Banco Itau, plus some smaller, more speculative banks. "One or two may be problems, but then market share will shift to others," he said.

To be sure, any number of events could derail Brazil's improvement. The most damaging would be a slowdown in the privatization of government-controlled companies. Virtually all observers and market participants expect this to be an arduous process, given the vested political interests that have already caused delays. "You're shaking a lot of power," Mr. Holzman said.

Deregulation also presents hurdles, he added. "Brazil is a big country, and many of these big groups have several small companies in every state. The government hasn't defined how to regulate them, and especially in the electric sector, that's going to be a major headache."



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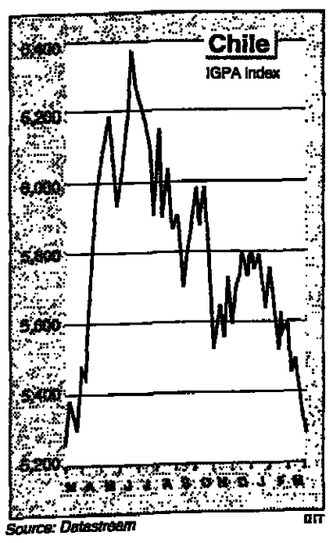
Long-Term Investors Flock to Chile, Where Stability Reigns



Source: Datastream IHT

By Aline Sullivan

INVESTORS who shy away from much of Latin America are often enthusiastic about Chile. In contrast to its volatile neighbors, the country has enjoyed more than a decade of growth, thanks largely to a stock market solidly underpinned by domestic investment.

Some professional investors are shunning Chile this year, however. Growth has stalled in recent months and share values have been depressed by high interest rates that show no sign of abating. Concerns that previously impressive returns were due more to one-time privatization than to market fundamentals have also helped curtail investment.

But investors with their eye on the long term are right to enthuse about Chile — or, at least, such is the broad consensus among international analysts and fund managers. Years ago Chile passed through many of the growing pains now felt in other Latin American countries and the resulting regulatory and supervisory framework continues to serve it well.

"Chile has fundamental attractions that are still missing in much of Latin America," said Janet Krengel, an economist at London stockbrokers Kleinwort Benson Securities. "Because its market is so mature, there is less scope for high returns but there is also less risk. Over the long term it is certainly one of the most attractive countries in the region."

Nigel Rendell, Latin American equity strategist at stockbrokers James Capel & Co. in London, said Chile's relative stability means that its market benefits when the rest of the Latin America is doing poorly.

"It did well early last year because the rest of the continent was in a crisis after the Mexican stock market tumbled," he said. "Now Chile looks less attractive because investors are turning back to the high-risk markets and because the economy is a bit overheated."

Mr. Rendell believes that the Chilean market will pick up in the second half of this year, when the government is able to cut interest rates. The prevailing rate, adjusted for inflation, rose in December by one percentage point, to 6.7 percent.

"It was a much bigger rise than most people expected but it was probably necessary because the economy was getting overheated," he said. "Once the economy slows down, rates should ease."

Chile's trade surplus was $1.4 billion last year, thanks to a high copper price, and its 8.4 percent growth in gross domestic product surpassed the 8.2 percent inflation rate. This year, the government expects to cut inflation to 6.5 percent.

Chile's private pension funds, the so-called *administradoras de fondos de pensiones*, or AFPs, are arguably the stock market's biggest asset. Their creation was the most significant economic legacy of General Augusto Pinochet, Chile's late and largely unlamented dictator. Fifteen years later, saving for a private pension remains compulsory and the government retains strict control over the funds.

Last year, the AFPs showed a negative return for the first time. But generally investment returns have been high: The AFPs have produced an annual rate of return, adjusted for inflation, of about 14 percent since their inception. Today, their assets total more than $27 billion, securing a steady flow of domestic investment into the Santiago stock market.

Analysts argue that the funds help foster a feeling of participation in the private economy among workers, encouraging them to support conservative policies. That is a big plus for investors worried about a return in Latin American to the political turmoil of the 1970s.

The support of the pension funds and the strength of the Chilean economy have attracted international investors in droves. But Chile's stock market is kept stable by restrictions of capital inflows. Non-Chilean investors are required to leave any money invested in the country's markets for at least 12 months and pay a hefty 35 percent capital gains tax. These limitations mean that American depositary receipts, or ADRs, are often more attractive to foreign investors.

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THE MONEY REPORT

Among Smaller Markets, 2 Risky Bets

By Barbara Wall

SOME of the best investment opportunities in Latin America are to be found in the smaller, less liquid, and consequently more risk-laden markets. But as with most investment decisions, timing is crucial.

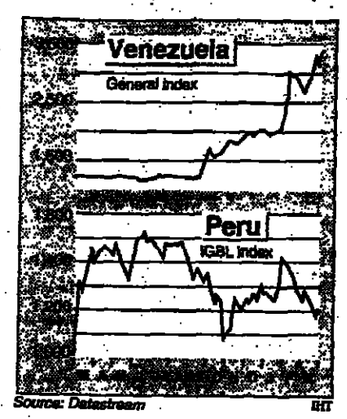
Peru has emerged from political chaos to become one of Latin America's rising stars. Inflation has been slashed from a stunning 7,000 percent in 1990 to just above 10 percent at the end of 1995. A successful privatization program has helped the government cut its budget deficit to around 4 percent of gross domestic product, and terrorism has been curtailed, creating further opportunities for growth.

Yet experts advise that Peru is probably not a good investment bet right now. "The dramatic growth in the Peruvian economy during the 1990s is causing it to overheat," said Jane Hakham, investment director for Beta Funds Ltd. in London. Prime Minister Alberto Fujimori, the driving force behind Peru's economic ascendancy, has reacted to the problem by tightening monetary and fiscal policy. As a result, Ms. Hakham said, economic growth rates are unlikely to surpass 5 percent this year.

A further cause for concern is the resignation of Peru's economy and finance minister, Jorge Camet Dickman.

"The announcement of the resignation has upset the market, and for the first time in nearly five years government opinion on economic policy is divided," a spokeswoman for Foreign & Colonial, a London-based investment management group, said. "Although investment returns are still good, confidence in the economy is at a much lower level than was previously the case."

But Seth Antiles, Latin American strategist with Merrill Lynch in New York, maintains that the economic downside has only a matter of months to run. February's growth figures, just released, show that the economy grew by 1.8 percent that month. Mr. Antiles believes that this "unexpected news" will stimulate the market.



Source: Datastream IHT

Although the number of Peruvian companies with a stock-market listing is increasing, the level of market liquidity remains low. This is exemplified by the fact that the International Finance Corp. Index is 40 percent invested in just one stock: Telefonos del Peru, a telecommunications company.

Mr. Fujimori is continuing his privatization program and it is thought likely that further opportunities will arise in the utilities sector. Michael Charlton, a spokesman for the Peru 2000 fund, run by Morocco-based Latin Investment Management, is keen on the water and electricity industries which are currently being privatized.

"The market has expanded and in private hands these industries should prosper," Mr. Charlton said. "Public utilities in Argentina have done exceptionally well since they were privatized and the experience in Peru will probably be very similar."

While Peru has emerged as a viable market in which to invest, Venezuela, which is being tipped in some quarters as a market worth watching closely, has barely managed to lift its shoulders above the parapet.

"Venezuela is in serious financial difficulty," Ms. Hakham said. "It has a high budget deficit, negative interest rates and high inflation — the usual economic problems that characterize newly emerging markets."

The International Monetary Fund is willing to lend the Venezuelan government money provided certain conditions are met: a rise in interest rates and gasoline prices, a cut in the budget deficit and an end to exchange controls. The government has been unable to reach a decision so far.

"Venezuela has great potential because of its extensive natural resources," Mr. Antiles said. "However, the current president, Rafael Caldera, is reluctant to implement the necessary reforms because of his populist political beliefs."

Oil prices are now starting to edge up which is good for export revenue, though this development could also be harmful to the IMF talks. "The government may decide that, as a result of the increased revenue from oil sales, it can dispense with IMF assistance," Ms. Hakham said. "If the agreement and the reforms are rejected Venezuela will continue to lurch from one economic crisis to another."

American depositary receipts are an alternative to direct investment. There are eight ADRs listed on the New York Stock Exchange, all of them industrial companies. Victor Galiano, director of research for Latinvest in Britain, advises clients that the steel company Sivensa is the only ADR that stands out as being a quality player.

Nat West Markets in Dublin runs a Venezuelan country fund that is invested solely in ADRs. A spokesman for the group said that the fund performed well last year due to a devaluation in the currency. Since the start of this year, however, the bulk of Venezuelan ADRs have done badly and the fund is down 1.9 percent.

"Investors should wait until Venezuela signs the IMF agreement and ends currency restrictions before even considering investing in this high octane market," Mr. Antiles said.

Latin American ADRs Prices in U.S. dollars

	Dec. 31, '94	Dec. 31, '95		Dec. 31, '94	Dec. 31, '95
Tubos de Acero de Mexico	4.688	7.00	London & Overseas Freighters1	14.25	11.875
Cie de Telefonos de Chile	78.75	82.875	Grupo Financiero Serfin	7.50	3.375
Telefonos de Mexico	41.00	31.875	Grupo Casa Autrey SA de CV	22.50	13.375
Vitro Sociedad Anonima	14.00	4.75	Grupo Mexicano de Desarrollo	8.875	2.75
Expressa ICA Sociedad	15.50	10.25	Cristalerias de Chile	15.75	22.25
Aracruz Celulose	12.75	7.75	Empresas La Moderna	16.625	15.50
Cia Cervecerias Unidas	25.125	23.25	Grupo Tribasa	16.625	7.50
Consorcio G Grupo Dina	9.50	1.875	Banco O'Higgins	17.125	23.00
BAESA	32.25	20.625	Grupo Tussacell	18.625	10.125
Madeco	26.50	27.00	Laboratono Chile	21.875	12.625
Banco de Galicia, Buenos Aires	17.25	20.625	Embotelladora Andina	26.125	36.125
Maderas Y Simtencos	25.50	18.50	Grupo Sidek	10.125	2.25
YPF	21.375	21.625	Desc	23.625	14.25
Grupo Simec	15.125	6.25	Chilgener	24.625	25.00
Grupo Radio Centro	14.25	7.50	Empresa Nacional de electric	25.75	22.75
Servicios Financieros Quadrum	6.375	—	Banco Wiese Limitado	18.75	6.25
Coca-Cola FEMSA	24.625	18.50	Telex-Chile	10.625	10.375
Sociedad Quimica y Minera	29.125	47.00	Vina Concha y Toro	16.50	18.00
Grupo Tribasa	16.625	7.50	Banco Osorno y La Union	10.75	13.875
Enersis	27.75	28.50	Administradora de Fondos	18.625	27.625
Bufete Industrial	29.50	15.00	Metrogas	10.25	9.75
Banco Frances del Rio de la	21.375	26.875			

Source: Securities Data Co.

Armchair Investors Tune In to ADRs

By Conrad de Aenlle

STOCK exchanges in New York are becoming a bit like the Home Shopping Network as more foreign companies, including more than four dozen so far in Latin America, become listed as American depositary receipts. These dollar-denominated bundles of shares allow investors to buy in their local market, avoiding the expense and risk of doing business on an exotic stock exchange a continent away.

Companies that are listed as ADRs are generally the largest and most actively traded in their respective markets and include privatized telephone and electricity utilities, oil and chemical companies and banks. By concentrating on such blue-chips, owners of Latin American shares can be reasonably sure of finding willing buyers when they want to sell, which is not always the case for holders of thinly traded, locally listed stocks.

Another advantage of ADRs is that their performance is easier to track because they trade in dollars, so any currency fluctuation is factored into the price. Also, because they trade in the United States, the companies must meet the stringent requirements of American regulators concerning voting rights and reporting of financial results.

"ADRs are a way in for people generally before they have exposure to the local market," said Elizabeth Morrissey, managing partner of Kleiman International, an emerging-markets consultancy. "They allow exposure to Latin companies where you know exactly what you're buying, because they're offered in New York."

They also allow buyers to avoid unwarranted expense and the procedural difficulties inherent in doing business in a distant market.

"You get good-quality names in New York, so why mess with handling charges and custody issues by dealing locally?" said Susanne Carrington, a Latin America fund manager at Robert Fleming.

Another mess that holders of ADRs avoid is the punitive tax that some governments, notably in Chile and Colombia, impose on international investors who repatriate their capital gains. ADR buyers never sent their money away from home, so they escape the restrictions, which is why investment advisers say it is almost always better to buy Chilean or Colombian stocks as ADRs.

While ADRs appear to be a great way to buy Latin American shares, last year they were a much better way to sell them. Of 47 companies in the region that were listed as ADRs for the entire year, a mere 16 rose in value, according to Securities Data Co., a research firm that tracks share price movements.

The losses of the other 31 usually were much larger than the gains of the winners. The best of the ADRs was Sociedad Quimica y Minera, a Chilean chemical concern, which rose from $29.125 to $47 in 1995. The company that was most painful to own was the Mexican truckmaker Dina, which started the year at $9.50 and ended it at $1.875.

The weakness reveals the drawbacks of ADRs. While they may represent a country's best and brightest businesses, they do not always make the best investments.

"It's the blue-chips that issue ADRs, so you know you're getting the cream of the crop, but some of the more interesting opportunities in these markets are smaller companies," Ms. Morrissey pointed out. "ADRs are not the best way to get exposure to a market."

Sometimes, the high quality and liquidity of ADRs, and the ease of trading them, can make them more volatile and dangerous than smaller, locally listed companies because ADRs are the primary vehicle for tourists — the more fickle investors who are not long-term shareholders in the region.

When markets are popular and foreign demand for shares is high, ADRs can trade above the value of the local shares they comprise. Then, when markets are out of favor, they can move to a discount. Last year, Latin American shares were being dumped with rare brio after the Mexican peso's collapse frightened investors across the region.

What really moves ADRs is "non-dedicated U.S. mutual fund money moving in and out of the markets," said Nicholas Morse, a Latin America specialist for Mercury Asset Management.

"If you think Brazil is going to have some serious up side, you want to buy Telebras because that's where foreign money's going to go," he said. "The more mature a market gets, the more concentration there will be on second- and third-line stocks."

Argentina Wins Back Its Following

By Ann Brocklehurst

TO win back the confidence of foreign investors and prove to the world it was not another Mexico, Argentina has spent the last year suffering through a serious recession complete with rising unemployment.

Making good on its promise not to devalue its currency meant implementing a strict austerity program and adjusting to sharply higher interest rates.

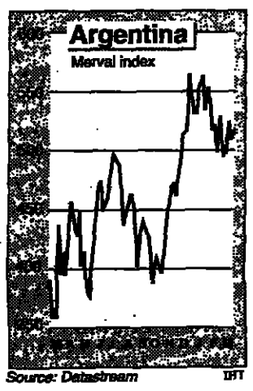
"Last year left everyone feeling quite vulnerable," says Frank McGann, vice president of equities research for Merrill Lynch in Buenos Aires. "People were and, to some extent, still are somewhat scared and cautious."

Mr. McGann and other analysts expect the recession, which began in the second quarter of last year, will end sometime this year. "For 1996, the biggest risk is that the recovery takes longer than anticipated and it's going to be a mixed recovery," says Stuart Quint, a senior portfolio analyst with the Montgomery Emerging Markets Fund in San Francisco.

Investors also continue to react to speculation about whether Argentina's finance minister, Domingo Cavallo, who has steered the country through its tough times, will remain on the job, even though some analysts said it is no longer relevant whether he stays or goes. Either way, they believe that Argentina will remain firmly committed to the convertible currency program he introduced in 1991 to fight inflation.

There is no question, however, that President Carlos Saúl Menem is under growing pressure to do something about unemployment rates, which rose to 11 percent for heads of households at the end of 1995 from 9 percent a year earlier. But analysts expect that if there is any loosening of monetary policy, it will prove compatible with the government's overall strategy and not undercut five years of economic reforms.

That means the economy should grow at a slow and steady rate, avoiding the boom and bust cycles usually associated with Latin America, according to Kier Boley, an assistant fund manager at City of London Investment Managers. "We do like it Argentina terms of macro standpoints," he said. "And it's been improving its reputation with international investors."



Source: Datastream IHT

City of London invests in closed-end funds from around the world which trade at substantial discounts to their net asset values. Mr. Boley noted that the $265 million Argentine Investment Co., listed offshore, is now trading at a 20 percent discount compared the $116 million Argentina Fund Inc., which trades in the United States at a 2 percent premium. He said the offshore fund pays out well and has a strong portfolio in telecommunications, but is not as well known as its U.S. competitor.

Ed Games, manager of Scudder, Stevens & Clark's Argentina Fund, would like to put more money into the country but says there are few companies with enough liquidity to interest the equity investor. He wishes more important companies would go public, as the Disco supermarket chain is now doing.

Scudder's Argentinian investments are heavily weighted toward the oil and gas sector, where there is a fairly large range of listed companies. Because the product is essentially priced in U.S. dollars, profits are also relatively unaffected by domestic problems.

This fits in with Mr. Games's philosophy of trying not to get too preoccupied with political and economic events and investing instead in firms whose "future prospects are going to be influenced by things the managers will do." At the moment he is especially bullish on businesses likely to benefit from the Mercosur trade agreement with Brazil, noting that it should prove a "great benefit to Argentina, Brazil and the investor."

Two companies whose names cropped up as beneficiaries of the trade agreement were the auto-parts manufacturer Mirgor and the carmaker Ciadea, which produces Renaults under license. Pérez Companc, a conglomerate seen as a proxy for the Argentinian economy as a whole, was another frequent analysts' pick, as were the telecommunications companies Telecom de Argentina and Telefónica de Argentina.

Best Performing Offshore Funds

Value of $100, income reinvested, excluding charges, to March 25, 1996.

Over one year		Over five years		Over ten years	
US Gsf Prec Met & Sat Res	223.32	Hesenbichler	521.94	JF Philippine	2030.96
Quota	158.14	Quantum	471.06	Colonial Securities Hong Kong	1179.15
GT Japan Warr & Derivatives A	134.47	TSB Oil Pan American	429.67	Baring IUF Malaysia & Sing	938.59
Samba Lux North America Equity	107.08	Putnam Emerging Info Science	381.63	Esbc Gil Asian Equity	917.37
Europa American Option	89.70	CIBC-CEF Hong Kong Warrant	343.50	JF Asean	906.06
CIBC-CEF Hong Kong Warrant	89.61	Deltec Latin American	332.01	Schroders Asia Hong Kong	900.37
Putnam Emerging Info Science	79.82	Thornton New Tiger Hong Kong	331.37	Baring Iuf Hong Kong	899.18
Cypress Intl	78.80	Abtrust Atlas	327.95	Gam Singapore/Malaysia	895.41
Hansard/Gt Biotech & Health	75.87	Genesis Chile	315.17	JF Eastern	873.44
JF Japan Warrants	75.82	Colonial Securities Hong Kong	292.71	Putnam Emerging Info Science	741.21
Vontobel Eastern Europe Enty	69.84	Schroder Intl Sel Us Sm Cos	286.85	Schroders Asian	724.05
Sun Sun Fund	68.92	Fidelity Ids Hong Kong & Chine	285.59	Finistere Hong Kong Life	663.85
Fft. Leveraged Us Govt Bond	66.80	Sogelux Fd Q Commodity	285.08	Baring Iuf Pacific	638.42
Fortune International	65.24	Thornton New Tiger Philippine	271.14	Thornton New Tiger Hong Kong	532.29
Manulife Regent GF Gl Resource	65.13	Schroder Latin American	269.99	Asean A Share	528.51

Source: Micropal International Herald Tribune

BRIEFCASE

Big Funds Feel A Bearish Pinch

The receding tide of U.S. stocks is beginning to take its toll on the megafunds, according to February figures compiled by Van Hedge Fund Advisors, the Nashville-based monitoring firm.

Best-performing hedge funds were U.S. Value, up 3.7 percent; U.S. Aggressive Growth, up 3.3 percent, and U.S. Special Situations, up 3 percent. U.S. macro funds were off sharply, with an average loss of 8.6 percent.

Birth of a New Market?

Emerging Markets Traders Association is studying whether to set up a clearing corporation to facilitate trade in Brady bonds, emerging-market debt backed the U.S. government.

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WORLD ROUNDUP

AP

China's Zhang Xixiang lifted a world-record 113.5 kilograms (249.7 pounds) at the Asian weightlifting championships in Yachio, Japan, on Friday.

French Lift Limits

SOCCER The French soccer league agreed Friday to remove all restrictions on European Union players, beginning next season, in the wake of the Bosman case.

At a meeting with representatives of all French professional clubs, the league agreed to abolish its current restrictions that limit teams to five foreign players, including a maximum of two from countries outside the European Union. The European Court of Justice ruled in December, in a case brought by a Belgian player, Jean-Marc Bosman, that it was illegal to restrict European Union citizens from playing in other national leagues within the Community. *(Reuters)*

Comegys Takes Steps

BASKETBALL The Former NBA player Dallas Comegys has taken his first steps after surgery for a gunshot wound, his doctor said Friday. Another American basketball player who plays in Turkey, Larry Spriggs, was also wounded and a Turkish businessman killed during an argument outside a Turkish nightclub on Thursday.

Comegys, 31, who starred at DePaul University before playing for the New Jersey Nets and San Antonio Spurs in the late 1980s, had surgery to remove a bullet from his right lung. Spriggs, 36, a member of the 1984-85 Los Angeles Lakers NBA championship team, was listed in good condition following surgery. He was shot in the back.

Comegys plays for Istanbul's Fenerbahce club. Spriggs plays for Bursa's Oyak Renault. *(AP)*

Casals Makes It to Hall

TENNIS Rosie Casals, who earned 12 Grand Slam doubles titles, and the late Dan Maskell, a British champion and longtime BBC commentator, known as "the voice of Wimbledon," were announced Thursday as the newest inductees into the International Tennis Hall of Fame. The induction ceremony will be July 14 at the organization's headquarters in Newport, Rhode Island. *(NYT)*

Sweden Takes Lead, 2-0, Against India

The Associated Press

CALCUTTA — Thomas Enquist rebounded from a tough start, and Jonas Bjorkman struggled to a five-set victory to give Sweden a 2-0 lead against India on Friday in a Davis Cup quarterfinal match.

Bjorkman defeated Leander Paes 1-6, 6-4, 5-7, 6-3, 7-5 in a grueling 3½ hour match on the grass court of Calcutta's South Club. Enquist beat Mahesh Bhupati 6-7 (7-5), 7-6 (7-3), 6-1, 6-1.

Bhupati, after winning the first-set tiebreaker, broke Enquist in the 10th game of the second set but squandered the next game with two double faults and two errors. Then he lost the tiebreaker and never recovered. All his 18 aces came in the first two sets.

In the first match, played at the peak of the afternoon heat, Bjorkman needed 1½ sets to find his game. He dropped four of his first five service games. By the beginning of the final set, both Bjorkman and Paes were drained. Eleven deuces were recorded in the first two games.

Despite eight double faults in the last set, Bjorkman held his serve and finally broke Paes in the 11th game with a service return down the line.

"When it's very hot and humid like this, that's why we were playing up and down," Bjorkman said. "It's hard mentally when it's so hot."

Italy vs. South Africa In Rome, Andrea Gaudenzi shocked Wayne Ferreira in five sets to pull Italy even with South Africa, 1-1, in a another quarterfinal.

Ferreira, ranked 10th in the world, seemed to lose his concentration in the fourth set and his earlier consistency gave way to repeated groundstroke errors in a 5-7, 6-3, 2-6, 7-5, 6-1 loss on the Foro Italico's red clay. Earlier, the 106th-ranked Marcos Ondruska had upended the hosts' top player, Renzo Furlan, 6-4, 6-4, 6-4. "We all thought Renzo would win, but he played poorly," said Italy's nonplaying captain, Adriano Panatta. "Luckily, Andrea made up for it."

Gaudenzi, 22, managed to gather his shaky game in time to win a 3 hour, 36 minute match of streaks. The 36th-ranked Italian, who had lost both prior meetings with Ferreira, served for the first set at 5-3 but was broken at love. That began a five-game run for Ferreira that gave him the set. Gaudenzi then reeled off four straight games and evened the match at a set apiece.

The third set opened on serve before Ferreira's net rushes and some of his 18 aces helped him take the last four games. Gaudenzi wasted five set points on Ferreira's serve in the fourth set's ninth game before again getting broken at love when serving at 5-4.

DAVIS CUP QUARTERFINALS

But the crowd favorite broke right back for 6-5, served out the set, and then broke the South African in the first, fifth and seventh games of the fifth.

The 21st-ranked Furlan, 25, sprayed unforced groundstroke errors throughout the match and converted just two of several break opportunities.

United States vs. Czech Republic In Prague, Todd Martin defeated Petr Korda in straight sets to give the United States a 1-0 lead after the first singles match against the Czech Republic. Martin, ranked No. 17, got the defending Davis Cup champions off on the right foot with a 6-2, 6-4, 7-5 victory.

Paul Hanna/Reuters

South Africa's Marcos Ondruska, who won in straight sets, returned a backhand to Italy's Renzo Furlan.

In Friday's second singles, No. 19 MaliVai Washington faced No. 35 Daniel Vacek.

The Americans were fielding a third-string team after their top four players — Pete Sampras, Andre Agassi, Michael Chang and Jim Courier — all declined to play.

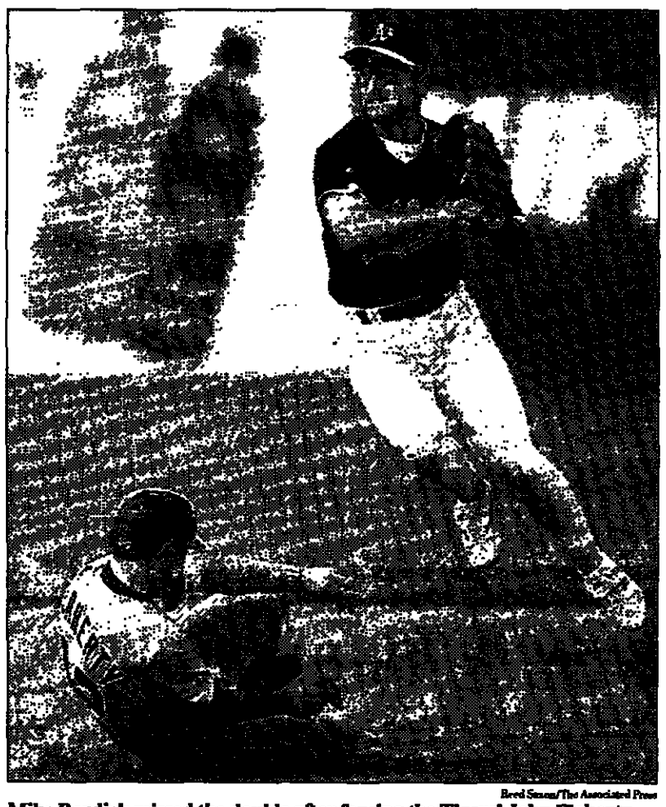
Martin won the first two sets with ease, consistently scoring with first serves and capitalizing on the erratic play of Korda, ranked No. 41. The third set was a different story. Martin and Korda broke each other once in the first four games, the only time the American lost serve in the match, and appeared headed to a tie-break at 5-5.

With Korda serving in the 11th game, Martin reached break point but the Czech saved it with an ace. Undaunted, Martin hit a forehand winner down the line on the next rally, screamed "Yes!" and raised a fist as if he knew the match was almost won.

France vs. Germany In Limoges, Cedric Pioline gave France a 1-0 lead as he beat Germany's David Prinosil, 6-0, 6-7 (7-9), 6-4, 6-3. The second singles match pitted Arnaud Boetsch against Hendrik Dreekman.

Boris Becker was on the sidelines, as he has been plagued by respiratory problems for more than a month. He was not selected to play singles for Germany, although he may be back for doubles play.

On an indoor clay surface, Pioline, ranked 23d in the world, went ahead quickly, taking the first six games in less than 25 minutes against Prinosil, No. 40 in the rankings. Prinosil battled back in the second- set tiebreaker, with both players having trouble holding their serves. Prinosil needed three set points before winning.



Reed Saxon/The Associated Press

Mike Bordick missed the double after forcing the Tigers' John Flaherty.

Orioles Sweep Royals on Late Rally

Pinch-Hit Single With 2 Out in Ninth Carries Mets Past Cardinals

The Associated Press

The Kansas City Royals' Chris Haney took a five-hit shutout into the eighth inning but never got another out, as the Baltimore Orioles sent 10 men to the plate in the inning, scoring five runs.

The Orioles hung on to win, 5-3, on Thursday to complete their first three-game sweep of the Royals since 1992. Arthur Rhodes (1-0) pitched two scoreless innings and Randy Myers worked the ninth for his second save.

Brady Anderson led off the eighth with a single and scored on a double by Roberto Alomar. After Haney walked Rafael Palmeiro, Hipolito Pichardo (0-1) came in and threw a wild pitch, putting runners on second and third. Bobby Bonilla pulled out of an 0-2 hole to hit a sacrifice fly before and Cal Ripken doubled to left, tying the score.

B.J. Surhoff was given an intentional walk and Chris Hoiles followed with an infield single, loading the bases. Terry Clark relieved and got Tony Tarasco to hit a grounder to second base, but the relay throw after the force play at second was too late for the double play. Jeffrey Hammonds capped the uprising with an RBI single.

Tigers 10, Athletics 9 Melvin Nieves's RBI bloop single in the 15th inning gave the Detroit Tigers, who earlier blew a seven-run lead, a victory over the winless Oakland Athletics in a homer-filled game. Travis Fryman of the Tigers and Scott Brosius of the A's each homered twice. Bobby Higginson also connected for Detroit in a game that lasted 4 hours, 47 minutes.

Rangers 13, Red Sox 2 Kevin Gross pitched seven strong innings and the Texas Rangers took advantage of four errors to beat Boston for a season-opening three-game sweep.

BASEBALL ROUNDUP

Mark McLemore went 3-for-3 with a sacrifice fly and a stolen base, and Juan Gonzalez hit a three-run homer.

In National League games:

Mets 10, Cardinals 9 Brent Mayne's two-out, ninth-inning pinch single drove in Chris Jones with the winning run after New York had blown a seven-run lead.

John Franco (1-0) was the winner and Dennis Eckersley (0-1), the fifth Cardinals pitcher, was the loser, allowing two hits and two unearned runs in the ninth.

Cubs 9, Dodgers 4 Ryne Sandberg homered for the first hit of his comeback and Sammy Sosa's two-run shot capped a seven-run fourth inning as the Chicago Cubs beat the Los Angeles Dodgers. Sandberg, who'd been 0-for-9, hit his first homer since June 1, 1994, a two-run drive that cleared the right-center field wall.

Expos 10, Reds 2 Moises Alou, Henry Rodriguez and Darrin Fletcher homered as the Expos continued to pound Cincinnati relievers, giving pitcher Jose Paniagua a victory in his major-league debut. The Expos scored 18 runs on 29 hits to win the last two games of the series.

Marlins 6, Pirates 2 Gary Sheffield and Greg Colbrunn homered, jolting Florida's sluggish offense as the Marlins claimed their first victory of 1996. Al Leiter (1-0), making his National League debut after 113 games in the American League, earned the victory despite shaky control. The left-hander walked four in seven innings, but allowed just four hits and one run.

Giants 7, Braves 1 Allen Watson won his debut for San Francisco, slowing down the hard-hitting Braves and pitching the Giants to their first triumph of the season. J.R. Phillips hit a three-run homer during a four-run first inning that sent the Giants over John Smoltz (0-1).

Phillies 7, Rockies 4 Rookie Kevin Jordan, playing first base for the first time after Gregg Jefferies was injured, hit a two-run homer in the fifth inning for the Phillies. Jefferies tore a ligament in his left thumb while diving into third base on an RBI triple in the first. He is expected to be sidelined for at least two months.

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Raymond T-FAL

Pointe a Pitre to Salvador de Bahia was the longest and most grueling leg of the race. The course was over 2,000 nautical miles over water. Racers had to face thunderstorms and severe turbulence.

Salvador de Bahia, Brazil, April 4th. On this flight, flyers have crossed over the Equator and entered the Southern hemisphere. This means crossing the inter-tropical convergence zone, a weather phenomenon occuring along the Equator which produces large thunderstorms and severe turbulence. Competitors have also crossed the Amazon River and flown hundreds miles over jungle and rain forest. All the racers arrived here in the dark, after flying since very early morning and contending high temperatures, lack of sleep, weather flying, avoiding powerful thunderstorms. Maya One, because of limited range, had to land at both Cayenne and Belem. At Belem, they had to shoot an approach to minimums in driving rain. Cielos said they had a wonderful flight, but pressed, that wonderful flight included thunderstorms, icing, headwinds and turbulence.

Silver Buller landed after experiencing worse headwinds and having to deviate around more weather than expected, with only 9 gallons (or 20 minutes) of fuel on board! That is after a flight of more than 1,300 miles in eight hours.

Their GPS satellite navigation gear also partially stopped working. One high light of everyone flight, though, and of everyone waiting on the ground, was of a lunar eclipse that was the longest lasting anyone had ever remember seeing.

Standings NY to Salvador de Bahia: 1: Knight Flight - 2. Silver Bullet - 3: Cielos - 4: Canuk - 5: Maya One - 6: Kona Wind - 7: Silver Wings.

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Just 2 Gymnasts Falling Hard (for Each Other)

By Robert Lipsyte
New York Times Service

NEW YORK — They first kissed in 1976. She was 14. He was 18. Neither felt a flicker of feeling.

To her, he was yet another little blond guy on the circuit. To him, she was a marvelously focused child.

The kiss itself was just a photo op. Each had won a silver cup at a Madison Square Garden tune-up for the Montreal Olympics, where she would become a legend, the first perfect princess of gymnastics.

Seven years ago, after the fairy tale had turned grim, he spotted her name in a TV listing and flew to Los Angeles to save her. She was fat and trampy-looking, hostage to a hustler.

"It was a light for me," Nadia Comaneci said. "I was afraid to tell people I was in trouble, but I was always hoping someone would come and take me away."

In three weeks, now ages 34 and 38, they will be married in the Parliamentary Palace in Bucharest. Fifteen hundred guests have been invited.

"Sometimes the story seems just a little too cute," Bart Conner said. "Joe Midwest and the mysterious beauty from Transylvania."

"I live in the moment," said Comaneci. "I can turn the page and move on."

They are a most beguiling couple.

Conner, a gold-medal winner in 1984, quick-witted, down-to-earth, a businessman and broadcaster with, according to Comaneci, " 'not guilty' written on his face," is in New York to promote the World Gymnastics Championships in San Juan, Puerto Rico, from April 14-20. Comaneci, tautly fit and strikingly glamorous, who represents Danskin among others, is in town, according to Conner, to buy more clunky black shoes.

They are also pioneers in pairs gymnastics, a sport-art form they may have invented, in which they do lyrical routines to such music as Neil Diamond's "If There Were No Dreams."

They tour with the act, which is about as romantic as the horse and beam ever get, and reflects their own made-for-TV life. Nadia touched the sun and crashed, and rose again. Bart soared, and glides on still.

The current gymnastics boom began in 1972 with perky Olga Korbut, but the world was surprised by the Soviet Olympic champion: the hype machine was not in place. Four years later, it was ready for tiny Nadia and her perfect 10.

She was simultaneously on the covers of Time, Newsweek and Sports Illustrated, but she was not impressed; coming from a dictatorship, she assumed someone had called someone else and ordered the covers. And at 14, the Olympics mostly meant a "chance to buy hair clips and sparkling things."

Conner didn't make those Games, although he was the all-around college champion. He made the team as the top *qualifier* in 1980, but America boycotted those Games. That year, in a controversial episode in Moscow, Nadia was seemingly "arranged" out of victory by an alleged collusion of judges. A Russian won. There was little mass coverage of the event, and so America did not see the new Nadia, taller, filled out, a woman.

Nadia did not compete in the 1984 Los Angeles Games, and so Nadia and Bart again missed connections. Conner won two gold medals and a following, which he parlayed into jobs, endorsements, the International Gymnast Magazine, a 1,000-student, 32-instructor gymnastics academy back home in Norman, Oklahoma, and a beach house in Venice, California.

Nadia defected in 1989. Led by Constantin Panait, a roofer, Comaneci and six others walked and crawled at night through mud, water and ice to Hungary. Panait brought Nadia to Florida, where he had a wife and four children, and began to manage her. He implied they were lovers and would marry. Comaneci says she was afraid of him.

Conner watched from afar, concerned for her and for the image of his sport. As a TV commentator, he was able to talk himself onto the Pat Sajak Show when she appeared. He sensed her fear of Panait. He offered help.

He helped make the connections that eventually led to her escape from that abusive relationship, and a new life in Montreal with a Romanian rugby coach and his family. For a year, they were phone pals.

"We were good friends before there was physical attraction," Conner said. "I saw the hard shell drop, a warm, caring woman emerge."

"I was curious about him," Comaneci said. "He didn't want anything in exchange for helping me."

They began working together, making appearances, and in the summer of 1991, in California, romance bloomed. He proposed in Amsterdam, in 1994. They say they will start a family soon, and probably live in Norman, where their privacy is respected.

Her sense of privacy, her need to shut out the past, intrigues Conner.

"It's O.K. for me not to know everything about her, not to know all the things she had to do to get through her life," Conner said. "I don't know all the prices she paid. I can judge her on the standards of right now, of why I love her as she is."

Pakistanis Rip Indian Bowlers In Easy Victory

The Associated Press

SINGAPORE — Openers Aamir Sohail and Saeed Anwar tore apart the Indian bowling Friday to produce an 8-wicket victory for Pakistan, avenging its defeat in a World Cup cricket match last month.

Captain Sohail's unbeaten 76 and Anwar's 74 overshadowed Indian opener Sachin Tendulkar's first century against Pakistan, the foundation of India's 226 for eight in 47.1 overs earlier.

With a 144-run partnership studded with boundaries and sixes, Pakistan reached a revised target of 187 runs in 33 overs with five overs to spare in the rain-shortened match of the Singer Cup tournament.

Pakistan will now meet Sri Lanka in the final Sunday.

"Aamir and Saeed really batted well. They took the game away from us," said India's captain, Mohammed Azharuddin.

The match was awarded to Pakistan on a faster run rate basis as the original target was no longer valid after thundershowers stole more than two hours of play.

Sohail's batting effort, which came off 89 balls, won him the man of the match award.

As long as Anwar and Sohail were on the pitch, there were a few overs in which boundaries were not scored. The two openers, and later Salim Malik, hit a total of 20 fours and Anwar whacked three sixes.

هكذا من الأصل

SPORTS

The Magic's Missing

Starless Team Bows to Celtics

The Associated Press

The Orlando Magic players blamed themselves, not the absence of Shaquille O'Neal and Anfernee Hardaway.

The Magic squandered a 19-point lead Thursday night, losing to the Boston Celtics, 100-98, on David Wesley's last-second shot. O'Neal missed his second straight game because of the death of his grandmother and Hardaway was ejected in the first half after taunting the Celtics' Pervis Ellison and picking up a second technical foul for arguing the call.

Hardaway was ejected with 1:14 remaining in the first half after he dunked over Ellison, hung on the rim briefly and

NBA Roundup

then glared at the Boston center. An official, Gary Benson, tossed the All-Star guard when he was called for a technical foul and continued to protest the call.

Cavaliers 98, Raptors 77 Dan Majerle and Terrell Brandon each scored 19 points as Cleveland beat Toronto.

Majerle scored 16 points in the second quarter, including a 3-pointer that sparked a 17-0 run by Cleveland. Toronto played without Damon Stoudamire (knee tendinitis), Oliver Miller (bruised calf), Zan Tabak (strained groin) and Sharone Wright (back spasms).

Bobby Phills had 18 points for Cleveland, which moved into a tie with the New York Knicks for fourth place in the Eastern Conference.

Bullets 113, Hawks 110 Brent Price made two free throws with 10 seconds remaining and Washington scored the final 12 points to defeat Atlanta.

Price had 22 points and 11 assists. Juwan Howard led the Bullets with 23 points and nine rebounds.

Warriors 98, Nuggets 90 Latrell Sprewell scored 22 points and Joe Smith had 19 as Golden State stopped a four-game losing streak and revived its playoff chances.

Bimbo Coles added 18 points and B.J. Armstrong 15 for Golden State, which passed Denver for ninth place in the Western Conference, 2½ games behind eighth-place Sacramento in the race for the final playoff spot. The Nuggets fell three games behind idle Sacramento.

Bulls 100, Heat 92 Michael Jordan scored 40 points and Toni Kukoc had a career-high 34 as Chicago clinched the best record in the Eastern Conference. Dennis Rodman had 12 rebounds and behaved well in his first home game after a six-game suspension for headbutting a referee. The Bulls, 37-0 at home and 64-8 overall, need to win six of their final 10 games to reach an NBA-record 70 victories.

Suns 107, Jazz 100 Kevin Johnson scored 31 points as Phoenix won its sixth straight home game. Jeff Hornacek, who paced the Jazz with 23 points, closed Utah to 98-96 on a baseline jumper with 2:53 remaining. But Utah only made two more baskets the rest of the way as Johnson and rookie Michael Finley took over down the stretch.

Karl Rotstein/Reuters

The Celtics' Eric Williams was sent flying by the Magic's Horace Grant.

Flyers Stop Rangers, 4-1

The Associated Press

The New York Rangers lost most of the battles, the war and their captain against the Philadelphia Flyers.

Mark Messier, who grabbed his side after a second-period face-off with the Flyers' captain, Eric Lindros, didn't play the final 1½ periods of Philadelphia's 4-1 victory Thursday night.

The tentative diagnosis was a bruised rib cage. The loss of Messier, who has 47 goals and 52 assists, clearly deflated a Rangers team that came into the game determined to bang with the Flyers, who have won seven straight and 10 of their last 12.

Turnovers didn't help. Adam Graves coughed the puck up midway through the first period, leading to the first of two Lindros goals, and Bruce Driver gave it away in the second to John Druce, who beat the Rangers' goalie.

NHL Roundup

Glenn Healy, to make it 3-0.

Alexei Kovalev finally scored for the Rangers late in the second period.

Penguins 4, Capitals 2 Mario Lemieux broke a tie with his second goal of the game with 1:55 remaining as Pittsburgh halted Washington's seven-game unbeaten streak. Lemieux raised his season total to 66 when he banged in Corey Foster's pass.

Michal Pivonka and Calle Johansson wrapped Washington goals around Lemieux's first score in the second period. Foster had Pittsburgh's first goal, and Chris Tamer hit an empty net in the final minute to cap the scoring.

Whalers 1, Devils 0 Hartford nudged New Jersey closer to becoming the first Stanley Cup champion in 26 years to miss the playoffs the next season. The loss extended the Devils' winless streak to four games and left them two points behind Tampa Bay in the race for the final playoff berth in the Eastern Conference.

Jason Muzzatti had 40 saves for his first career shutout, while Nelson Emerson provided the margin of victory by deflecting a Geoff Sanderson power-play shot past Martin Brodeur.

Bruins 3, Canadiens 3 Saku Koivu scored a shorthanded goal with 25 seconds left in regulation to earn Montreal a draw. The result moved the Canadiens into a fourth-place tie with Florida in the Eastern Conference.

Maple Leafs 3, Blues 1 St. Louis lost Wayne Gretzky to a back strain, then fell to Toronto as Mike Gartner had a goal and an assist.

The Blues began the game without goalie Grant Fuhr, Brett Hull and Shayne Corson, all of whom were nursing various injuries. Gretzky joined the list when he limped off the ice at 8:35 of the second period.

Mathieu Schneider and Brandon Convery also scored for the Maple Leafs, who won handily despite being outshot 40-21.

Sharks 5, Oilers 3 Darren Turcotte had two goals and San Jose scored four times in the first period in its victory over visiting Edmonton.

The Sharks, officially eliminated from playoff contention on March 15, hurt the Oilers' playoff chances as Edmonton missed the opportunity to gain on eighth-place Winnipeg, which it trails by five points. The loss was the first for the Oilers in five games with San Jose.

Turcotte scored San Jose's first goal and later scored an empty-netter after the Oilers had pulled to within 4-3. Todd Marchant scored twice for the Oilers.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	3	0	1.000	—
New York	2	0	1.000	½
Toronto	2	0	1.000	½
Detroit	2	2	.500	1½
Boston	0	3	.000	3
CENTRAL DIVISION				
Minnesota	2	1	.667	—
Milwaukee	1	1	.500	½
Chicago	1	2	.333	1
Cleveland	0	2	.000	1½
Kansas City	0	3	.000	2
WEST DIVISION				
Texas	3	0	1.000	—
Seattle	2	1	.667	1
California	1	1	.500	1½
Oakland	0	3	.000	3

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	2	1	.667	—
Montreal	2	1	.667	—
New York	2	1	.667	—
Philadelphia	2	1	.667	—
Florida	1	2	.333	1
CENTRAL DIVISION				
Chicago	2	1	.667	—
Houston	2	1	.667	—
Pittsburgh	2	1	.667	—
Cincinnati	1	2	.333	1
St. Louis	1	2	.333	1
WEST DIVISION				
San Diego	1	1	.500	—
Colorado	1	2	.333	½
San Francisco	1	2	.333	½
Los Angeles	1	3	.250	1

THURSDAY'S LINE SCORES

AMERICAN LEAGUE

Kansas City	000	030	000	—3	10	0
Baltimore	000	000	03x	—3	10	1

Haney, Pichardo (8), Clark (8) and Macfarlane; Erickson, A.Rhodes (7), Myers (9) and Hoiles, Zaun (9). W—A. Rhodes, 1-0. L—Pichardo, 0-1. Sv—Myers (2).

Detroit	020	002	000	000	001	—10	14	1
Oakland	001	010	001	000	000	—9	13	2

(15 innings)

Olivares, R. Veres (8), Br.Williams (9), M. Myers (11), R. Lewis (12), Keagle (13) and Flaherty; Van Poppel, Wengert (5), Groom (8), Corsi (9), Briscoe (11), Small (15) and Steinbach, Ga.Williams (10). W—Keagle, 1-0. L—Small, 0-1. HRs—Detroit, Higginson (1), Fryman 2 (2). Oakland, Bressia 2 (2).

Boston	001	000	010	—2	6	4
Texas	022	140	40x	—12	16	0

Wakefield, Doherty (5), Stanton (7), Suppan (7), Slocumb (8) and Stanley; Delgado (8); Ka.Gross, Whiteside (8), Brandenburg (9) and J.Rodriguez, Valle (8). W—Ka.Gross, 1-0. L—Wakefield, 0-1. HR—Texas, J. Gonzalez (1).

NATIONAL LEAGUE

Montreal	200	005	210	—10	14	0
Cincinnati	010	000	010	—2	6	0

Pavlogiou, Manuel (6), Scott (9) and Fletcher; Webster (8); Burba, Carrasco (6), X. Hernandez (7), J. Ruffin (9) and Taubensee. W—Pavlogiou, 1-0. L—Burba, 0-1. HRs—Montreal, Alou (1), H. Rodriguez (1), Fletcher (1).

Pittsburgh	000	000	110	—2	5	2
Florida	002	100	30x	—6	11	0

Ericks, Cordova (6), Hancock (7) and Kendall; A.Leiter, A. Pena (8), Nen (9) and C. Johnson. W—A. Leiter, 1-0. L—Ericks, 0-1. HRs—Pittsburgh, Wehner (1). Florida, Sheffield (1).

Los Angeles	003	001	000	—4	3	1
Chicago	002	700	00x	—9	14	0

Astacio, J. Cummings (4), Guthrie (6), Elsbernd (8) and Piazza; Foster, Castillo (6), Wendell (7) and Servais. W—Foster, 1-0. L—Astacio, 0-1. HRs—Los Angeles, Gagne (2). Chicago, Sandberg (1), Sosa (2).

St. Louis	010	020	001	—4	9	1
New York	012	001	02x	—6	11	1

Alan. Benes, Parrett (4), Bailey (6), Mathews (8), Eckersley (9) and Borders; Sheaffer (5); P.Wilson, D. Henry (7), Minor (8), MacDonald (8), Franco (8) and Hundley. W—Franco, 1-0. L—Eckersley, 0-1.

Colorado	000	040	000	—4	8	0
Philadelphia	210	020	02x	—7	10	2

Reker, S. Reed (6), Holmes (7), Leskanic (8) and Brito; Mulholland, Springer (6), Leiper (8), Bottalico (9) and Santiago. W—Mulholland, 1-0. L—Reker, 0-1. Sv—Bottalico (2). HR—Phil. Jordan (1).

San Francisco	400	001	200	—7	9	0
Atlanta	000	000	001	—1	7	1

Watson, Hook (7), Dewey (7), Creek (8) and Manwaring; Smoltz, Wade (7), Schmidt (8), Bielecki (9) and J. Lopez. Ed.Perez (9). W—Watson, 1-0. L—Smoltz, 0-1. HR—San Francisco, Phillips (1).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	1	0	0	1.000	—
Yakult	1	0	0	1.000	—
Yomiuri	1	0	0	1.000	—
Chunichi	0	1	0	.000	1
Hanshin	0	1	0	.000	1
Yokohama	0	1	0	.000	1

FRIDAY'S RESULTS

Yomiuri 9, Hanshin 0
Yakult 4, Yokohama 1
Hiroshima 3, Chunichi 3

PACIFIC LEAGUE

	W	L	T	Pct	GB
Kintetsu	4	1	0	.800	—
Nippon Ham	2	1	0	.667	1
Orix	3	2	0	.600	1
Lotte	3	3	0	.500	1½
Daiei	1	3	0	.250	2
Seibu	1	4	0	.200	3

FRIDAY'S RESULT

Orix 5, Lotte 3

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
y-Orlando	55	19	.743	—
New York	42	30	.583	12
Miami	37	36	.507	17½
Washington	34	39	.466	20½
New Jersey	29	43	.403	25
Boston	29	45	.392	26
Philadelphia	14	59	.192	40½
CENTRAL DIVISION				
y-Chicago	64	8	.889	—
Indiana	45	29	.608	20
Cleveland	43	31	.581	22
Atlanta	41	32	.562	23½
Detroit	40	32	.556	24
Charlotte	37	36	.507	27½
Milwaukee	22	50	.306	42
Toronto	19	54	.260	45½
WESTERN CONFERENCE				
MIDWEST DIVISION				
	W	L	Pct	GB
x-San Antonio	54	19	.740	—
x-Utah	50	23	.685	4
x-Houston	43	30	.589	11
Denver	31	42	.425	23
Minnesota	24	49	.329	30
Dallas	22	51	.301	32
Vancouver	12	60	.167	41½
PACIFIC DIVISION				
y-Seattle	58	15	.795	—
x-L.A. Lakers	45	27	.625	12½
Phoenix	38	35	.521	20
Portland	37	35	.514	20½
Sacramento	33	39	.458	24½
Golden State	32	42	.432	26½
L.A. Clippers	27	47	.365	31½

x-clinched playoff spot
y-clinched division

THURSDAY'S RESULTS

Cleveland	23	29	28	26	—98
Toronto	19	18	23	25	—77

C: Phills 8-12 1-3 18; Brandon 6-16 6-6 19. T: Whitfield 4-9 8-10 16; Rogers 7-12 0-0 14. Rebounds—Cleveland 46 (Mills 10), Toronto 52 (Whitfield 12). Assists— Cleveland 21 (Brandon 6), Toronto 16 (King 6).

Boston	24	19	30	27	—100
Orlando	31	22	30	15	— 98

B: Fox 8-16 0-0 16; Wesley 9-11 1-3 22. O: Grant 8-13 8-10 24; Anderson 9-19 4-4 23. Rebounds— Boston 39 (Ellison, Wesley 7), Orlando 51 (Grant 17). Assists— Boston 26 (Brown 6), Orlando 23 (Shaw, Scott 8).

Washington	26	27	33	27	—113
Atlanta	27	39	29	15	—110

Wt: Howard 10-20 3-4 23; B.Price 8-11 3-3 22. A: Long 8-17 0-0 18; Loettner 10-16 8-10 28. Rebounds— Washington 42 (Howard 9), Atlanta 41 (Long 9). Assists— Washington 24 (B.Price 11), Atlanta 27 (Smith 6).

Miami	25	23	25	19	— 92
Chicago	24	21	34	21	—100

Mc Williams 7-14 1-2 20; Hardaway 7-17 5-6 20. C: Kukoc 12-21 7-8 34; Jordan 13-24 13-16 40. Rebounds— Miami 49 (Mourning, Gatling 9), Chicago 50 (Rodman 12). Assists— Miami 18 (Hardaway 9), Chicago 22 (Pippen 8).

Utah	23	25	25	27	—100
Phoenix	21	30	24	22	—107

U: Malone 6-18 5-6 17; Hornacek 9-14 4-4 23. P: Person 7-16 6-8 22; Johnson 11-18 9-10 31. Rebounds— Utah 47 (Benoit, Keefe 8), Phoenix 46 (Barkley, Person 11). Assists— Utah 26 (Stockton 16), Phoenix 22 (Johnson 10).

Denver	17	26	15	32	—90
Golden State	24	27	24	23	—98

D: Stith 9-16 3-6 24; D.Ellis 6-12 3-4 19. G.S.: Smith 7-18 5-7 19; Sprewell 8-18 6-7 22. Rebounds— Denver 57 (L.Ellis, McDyess 10), Golden State 43 (Smith 13). Assists— Denver 21 (Rose 6), Golden State 21 (Sprewell 9).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
x-Philadelphia	42	22	13	97	268	197
x-N.Y. Rangers	40	22	14	94	260	215
Florida	39	29	9	87	245	227
Washington	37	30	11	85	222	194
Tampa Bay	35	29	12	82	224	233
New Jersey	34	31	12	80	199	185
N.Y. Islanders	20	48	8	48	209	299
NORTHEAST DIVISION						
y-Pittsburgh	47	26	4	98	344	263
Montreal	39	31	9	87	256	239
Boston	37	30	11	85	269	258
Hartford	32	36	9	73	224	242
Buffalo	29	41	7	65	231	251
Ottawa	16	56	5	37	174	273
WESTERN CONFERENCE						
CENTRAL DIVISION						
y-Detroit	58	13	6	122	304	172
x-Chicago	39	26	12	90	259	204
St. Louis	32	32	14	78	212	236
Toronto	32	35	12	76	234	243
Winnipeg	34	38	5	73	260	273
Dallas	24	39	13	61	211	258
PACIFIC DIVISION						
y-Colorado	43	24	10	96	303	228
Calgary	32	34	11	75	226	225
Vancouver	30	34	15	75	269	274
Anaheim	31	38	7	69	212	230
Edmonton	30	41	8	68	232	291
Los Angeles	22	38	18	62	240	287
San Jose	20	51	7	47	246	335

y-clinched division title
x-clinched playoff spot

THURSDAY'S RESULTS

Montreal	1	1	1	0—3
Boston	1	2	0	0—3

First Period: M-Turgeon 38 (Kovalenko, Graleau). 2. B-Donato 21 (Heinze). Second Period: M-Damphousse 37 (Rucinsky). 4. B-Sutter 4 (Reid, Mager). 5. B-Tocchet 27 (Bourque, Oates) (pp). Third Period: M-Koivu 20 (Damphousse) (sh). Overtime—None. Shots on goal: M- 7-12-9-0—28. B- 12-10-16-4—42. Goalies: M-Jablonski. B-Ranford, Billington.

Washington	0	2	0	—2
Pittsburgh	1	1	2	—4

First Period: P-Foster 2 (Smolinski, Kevin Miller) (pp). Second Period: W-Pivonka 14 (Ustorf, Bondra). 3. P-Lemieux 65 (Kevin Miller, Leroux). 4. W-Johansson 10 (Pivonka, Bondra). Third Period: P-Lemieux 66 (Smolinski, Foster). 6. P-Tamer 3 (Wilkinson, Barrasso) (en). Shots on goal: W- 7-10-9—26. P- 6-7-5—18. Goalies: W-Carey. P-Barrasso.

Hartford	0	0	1	—1
New Jersey	0	0	0	—0

First Period—None. Second Period—None. Third Period: H-Emerson 26 (Sanderson, Brown) (pp). Shots on goal: H-7-6-7—20. N.J.- 13-15-12—40. Goalies: H-Muzzatti. N.J.-Brodeur.

N.Y. Rangers	0	1	0	—1
Philadelphia	2	1	1	—4

First Period: P-Lindros 45 (LeClair, Desjardins). 2. P-Haller 5 (Brind'Amour) (sh). Second Period: P-Druce 10. 4. New York, Kovalev 23 (Leetch). Third Period: P-Lindros 46 (Poulin, Brind'Amour) (en). Shots on goal: New York 7-12-8—27. P- 8-13-7—28. Goalies: New York, Healy. P-Hextall.

Toronto	2	1	0	—3
St. Louis	0	1	0	—1

First Period: T-Schneider 13 (Sundin, Clark). 2. T-Gartner 33 (Muller, Murphy). Second Period: T-Convery 2 (Gartner, Macoun). 4. S.L.-MacInnis 17 (Creighton). Third Period—None. Shots on goal: T- 9-6-6—21. S.L.- 17-15-8—40. Goalies: T-Potvin. S.L.-Casey.

Edmonton	0	2	1	—3
San Jose	4	0	1	—5

First Period: S.J.-Dahlen 15 (Tancill, Sykora). 2. S.J.-Turcotte 21 (Nolan) (sh). 3. S.J.-Nolan 33 (Friesen, Racine). 4. S.J.-Odgers 12 (Racine, Badger). Second Period: E-Marchant 17 (de Vries, Marchment). 6. E-Marchant 18 (Marchment). Third Period: E-Manderville 3. (sh). 8. S.J.-. Turcotte 22 (Baker) (en). Shots on goal: E- 9-13-8—30. S.J.- 11-7-16—34. Goalies: E-Gage. Brathwaite. S.J.-Irbe.

SOCCER

EUROPEAN CUP WINNERS' CUP

SEMIFINAL FIRST LEG

Feyenoord Rafterdam 1, Rapid Vienna 1

Scorers: Feyenoord — Ronald Koeman (53rd, penalty); Rapid Vienna — Carsten Jancker (67th).

Deportivo Coruna 0, Paris St Germain 1

Scorer: Youri Djorkaeff (89th).

GERMAN BUNDESLIGA

Uerdingen 2, Karlsruhe 3
Kaiserslautern 0, Schalke 0
VfB Stuttgart 1, Hansa Rostock 1

STANDINGS: Bayern Munich 53 points, Borussia Dortmund 51, Borussia Moenchengladbach 41, VfB Stuttgart 38, Schalke 38, Hamburg 34, Karlsruhe 33, Freiburg 33, Bayer Leverkusen 31, Hansa Rostock 31, 1860 Munich 30, Werder Bremen 30, St. Pauli 29, Fortuna Duesseldorf 26, Eintracht Frankfurt 24, Cologne 24, Kaiserslautern 25, Uerdingen 17.

CONCACAF CUP WINNERS' CUP

FINAL

Universidad Guadalajara 2, Luis A. Firpo 1

THIRD PLACE

Marathon 12, Jong Colombia 0

SWISS CHAMPIONSHIP

St Gallen 0, Sion 4
Aarau 3, Neuchatel Xamax 2

TENNIS

Davis Cup Results

WORLD GROUP

QUARTERFINALS

Italy 1, South Africa 1

Marcos Ondruska, South Africa, def. Renzo Furlan 6-4, 6-4, 6-4; Andrea Gaudenzi def. Wayne Ferreira 5-7, 6-3, 7-6, 7-5, 6-1.

Sweden 2, India 0

Jonas Bjorkman def. Leander Paes 1-6, 6-4, 5-7, 6-3, 7-5; Thomas Enqvist def. Mahesh Bhupathi 6-7 (5-7), 7-6 (7-3), 6-1, 6-1.

France 1, Germany 0

Cedric Pioline, France def. David Prinosil 6-0, 6-7 (7-9), 6-4, 6-3.

Czech Republic 5, United States 1

Todd Martin, U.S. def. Petr Korda 6-2, 6-4, 7-5.

EURO/AFRICA ZONE GROUP ONE

SECOND ROUND

Croatia 1, Ukraine 0

Goran Ivanisevic, Croatia, def. Andrei Rybalko, 6-0, 7-6 (7-5), 6-7 (4-7), 6-3.

Spain 2, Israel 0

Carlos Costa def. Eyal Ran 6-2, 3-6, 6-4, 2-0; Alberto Costa def. E. Erlich 6-2, 3-6, 6-2, 6-2.

Morocco 1, Zimbabwe 1

Wayne Black, Zimbabwe, def. Karim Alami 7-5, 6-3, 7-5; Hicham Arazi def. Byron Black 6-3, 6-2, 6-1.

Romania 2, Finland 0

AMERICAN ZONE GROUP ONE

Argentina 1, Bahamas 0

GROUP TWO

Uruguay 1, Columbia 0

ASIA/OCEANIA ZONE GROUP ONE

SECOND ROUND

Australia 2, Japan 0

Hideki Kaneko def. Todd Woodbridge 6-4, 7-6 (7-4), 5-7, 2-6, 2-6; Shuzo Matsuoka def. Jason Stoltenberg 4-6, 6-3, 3-6, 6-3, 4-5.

South Korea 1, New Zealand 1

Philippines 2, Taiwan 0

QUALIFYING

China 2, Indonesia 0

ASIA/OCEANIA ZONE GROUP TWO

SECOND ROUND

Uzbekistan 2, Pakistan 0

Thailand 2, Hong Kong 0

CRICKET

SINGER CUP

PAKISTAN VS. INDIA

FRIDAY, IN SINGAPORE

India innings: 226-8 (47.1 overs)
Pakistan innings: 190-2 (28 overs)

Result: Pakistan won by 8 wickets in chasing a reduced target of 187 in the rain-hit match and will meet Sri Lanka in Sunday's final.

RUGBY

EUROPEAN SUPER LEAGUE

London Broncos 38, Paris St. Germain 22
Oldham 34, Halifax 22
St Helens 41, Wigan 26
Warrington 45, Workington 30

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

CALIFORNIA—Signed OF Jim Edmonds; 1B J.T. Snow and RHP Troy Percival to multi-year contracts. Put P Lee Smith on 15-day disabled list.

CLEVELAND—Traded C Jesse Levis to Milwaukee for LHP Scott Nate and a player to be named. Optioned OF Ryan Thompson to Buffalo, AA. Sent OF Nigel Wilson outright to Buffalo.

NEW YORK—Signed OF Dion James. Optioned OF Matt Luke to Columbus, IL.

TEXAS—Signed 1B Lee Stevens and sent him to Oklahoma City, AA. Sent INF Rene Gonzales to Oklahoma City.

NATIONAL LEAGUE

MONTREAL—Put LHP Carlos Perez on 15-day disabled list. Bought contract of RHP Jose Paniagua from Ottawa, IL.

PHILADELPHIA—Recalled 1B Gene Schall from Scranton-Wilkes-Barre, IL.

PITTSBURGH—Claimed LHP Darrell May off waivers from Atlanta.

SAN FRANCISCO—Put C Tom Lampkin on 15-day disabled list. Recalled C Steve Decker from Phoenix, PCL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

GOLDEN STATE—Signed C Geert Hammink to 2d 10-day contract.

SEATTLE—Activated G-F Vincent Askew from injured list. Put F Sherell Ford on injured list.

VANCOUVER—Put C Eric Mobley on injured list. Signed G-F Cuonzo Martin to 10-day contract.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA—Re-signed DB Elbert Shelley to 1-year contract.

BALTIMORE—Signed P Greg Montgomery. Agreed to terms with TE Brian Kinchen and DL Dan Footman.

BUFFALO—Re-signed QB Alex Van Pelt to 4-year contract, and CB Emanuel Martin to 1-year contract.

CHICAGO—Declined to match Green Bay offer sheet to LB Ron Cox. Signed RB Mike Fauerbach and RB Dennis Lundy to 2-year contracts.

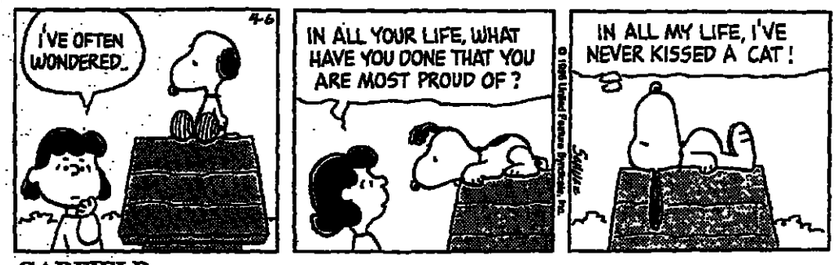
To our readers in Holland

You can receive the IHT hand delivered to your home or office every morning.
Just call us toll free at
06 022 51 58.

DENNIS THE MENACE

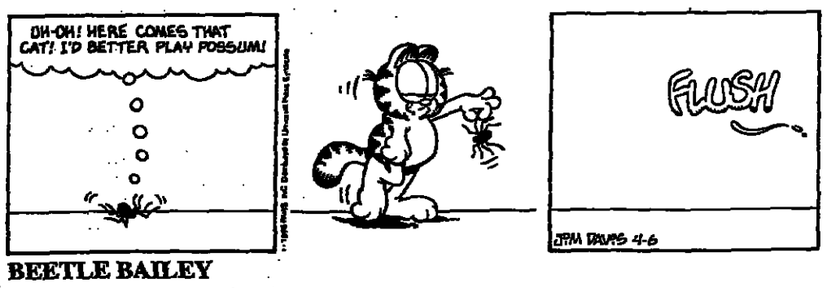
"DID HE CALL THAT UN-BREAKABLE?"

PEANUTS

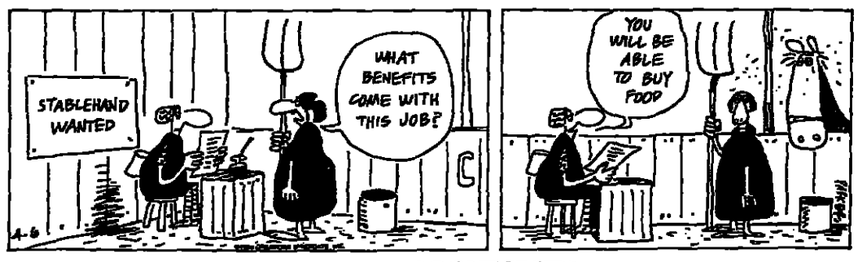


CALVIN AND HOBBES

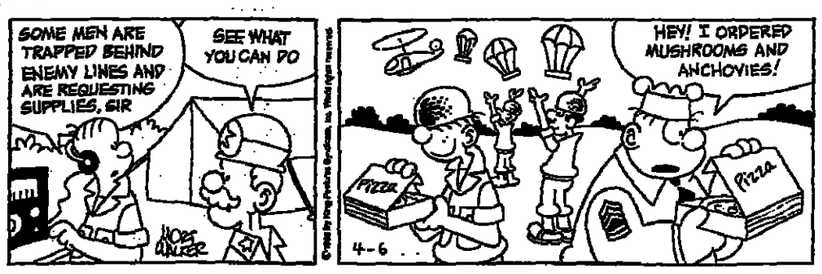
GARFIELD



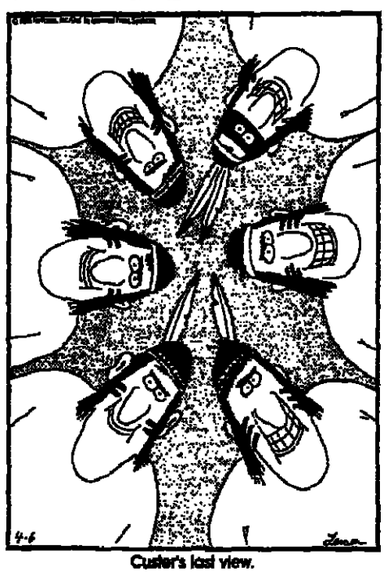
WIZARD of ID



BEETLE BAILEY



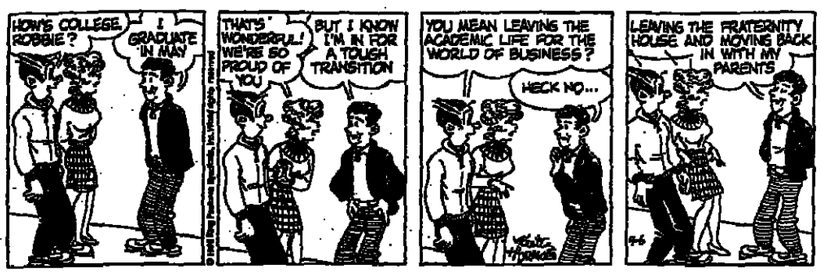
THE FAR SIDE



Custer's last view.

DOONESBURY

BLONDIE



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

UNFYN

NOOHR

TOWWOK

LAGYAX

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A

(Answers Monday)

Yesterday's Jumbles: FISHY NEEDY UNSOLD SUBMIT
Answer: What anointed after smashing wood pile — THE "LEFT" SIDE

DAVE BARRY

All Hail Lewis and the Niña

MIAMI — Spring is here, and I'm thinking about camping. Don't misunderstand me: I'm not thinking about actually GOING camping, in the sense of venturing outdoors and turning my body into an All-U-Can-Eat buffet for insects. I'm just thinking about camping.

What got me on this topic is a book I'm reading, called "Undaunted Courage," by Stephen E. Ambrose, about the ultimate camping trip: the Lewis and Clark expedition. If you're a product of the U.S. educational system, you no doubt remember this historic endeavor, in which a tiny band (they didn't even have a keyboard player) set out in three tiny ships — *the Niña, the Pinta and the Merrimac* — and became the first Westerners to make the perilous voyage around Plymouth Rock and discover the Monroe Doctrine, without which the cotton gin would never have been invented.

That's pretty much how I remembered it, too, but the actual facts, as set forth in "Undaunted Courage," are these: In 1803, President Thomas Jefferson made the Louisiana Purchase, in which he paid France $10 million for a humongous batch of land without having any idea what was in it. Why would Jefferson make such a purchase? The answer is simple: he didn't have a wife. There was nobody to say: "You spent $10 million for WHAT? Take it back RIGHT NOW!!" Guys without wives are always making impulse purchases that border on the insane. If hang gliders had been invented in 1803, Jefferson would have bought one of those, too.

□

Anyway, the United States found itself in possession of this extremely large parcel of land, and nobody knew what it contained in the way of geography, natural resources, shopping, etc. So Jefferson sent Lewis and Clark on an expedition to check it out and also see if they could find a way across the continent to the Pacific Ocean, which Jefferson hoped would be a better trade route for beaver pelts bound for the Orient. Back then, the beaver pelts had to be transported by river to St. Louis, then overland to the East Coast, then by ship to London, then by ANOTHER ship to the Orient, where they had to be burned immediately because, as you can imagine, after all that travel they smelled like the inside of Marlon Brando's laundry hamper.

So in 1804, Lewis and Clark set out in search of a better route. Reading about their brutally difficult, extremely dangerous trek across the continent, I was reminded of the summers when I was a counselor at Camp Sharparoon, and I used to set off, leading a party of boys ages 10 and 11, into the vast uncharted wilderness around Dover Furnace, New York, fully aware that we would have to survive for an entire night with nothing to sustain us except roughly 200 pounds of marshmallows, graham crackers and Hershey bars. We used these to make the famous campfire treat called "s'mores." Sometimes we'd hook up with a group of girl campers and make "s'mores" together; this is when I observed a fundamental difference between boys and girls:

HOW GIRLS MAKE "S'MORES" — 1) Place Hershey bars on graham crackers; 2) toast marshmallows; 3) place toasted marshmallows on Hershey bars to melt chocolate.

HOW BOYS MAKE "S'MORES" — 1) Eat Hershey bars; 2) eat marshmallows; 3) throw graham crackers at other boys.

Anyway, Lewis and Clark — whether because of religious reasons, or sheer ignorance, we shall never know — did not take any "s'mores" ingredients on their expedition, so they had to survive by shooting, and eating, things like elk. I am deeply impressed by this. I have always procured my meat by taking a number at the supermarket; you could leave me out in the woods for a year with a machine gun and an electronic Elk Detector and I'd still never be able to shoot an elk. And if I DID somehow manage to shoot one, I wouldn't have a clue how to eat it. I mean, what part do you eat?

The point is that things were pretty rough for Lewis and Clark, and since this year marks the 190th anniversary of their return, I think it would be nice if Americans commemorated their effort to open up our continent. Perhaps some of us will even want to pack our sleeping bags and retrace their steps through some of the still relatively unspoiled wilderness they explored. Others of us will want to wait until there is plumbing.

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From 'American Gigolo' to Buddhism

By Sharon Waxman
Washington Post Service

LOS ANGELES — Richard Gere is praying, his eyes lightly shut as he listens to the rhythmic humming of five Buddhist monks. "OOOOOOOO-OOOOOH," they groan in unison, then drop a register and continue, "oooooooooooooh." For 20 minutes, the roomful of leather-clad glitterati and honchos in Italian sport jackets is suspended in respectful silence — or maybe it's shock.

"I think it's pretty amazing," Gere tells everyone. The sexual icon of the '70s is now a religious man who meditates every day and talks about the relativity of truth. In West Hollywood, there is an exhibition of his photographs of Tibetans, with the proceeds going to their cause.

Gere has been through a lot in the past several years: a return from cinematic obscurity, a celebrity marriage, a well-publicized divorce. Buddhism, he says, has been his guiding force throughout. But none of these things seems to have changed him much. Age, experience and enlightenment have done little to soften his swagger, or to dim his contempt for the press.

Earlier, during the publicity rounds with "Entertainment Tonight," "Extra," Turner Broadcasting and German television, Gere found himself telling for the third time the story of a photograph of an elderly exile, illuminated by a shaft of sunlight in a southern Indian monastery.

"What do these photos say about who you are?" the reporter asked.

"Spend some time looking at the pictures — this is who I am," he responded with a curt laugh.

"Has Buddhism helped you as an actor?"

More laughter. "Patience is a great thing I've learned," he said, a joke at the reporter's expense.

He reflects on this a few minutes later in private. "I'm working on it," he says. "It's the first way to get over anger — patience is an antidote to anger. Love is an antidote to hatred. I work on love. I work on patience," he says. "By nature we have the instinct to be good. We don't know how to be, though."

It is the day before, and Gere is at the end of a round of interviews for his new movie, "Primal Fear."

Gere is describing his character in the movie, Martin Vail, a high-profile criminal attorney who takes on the defense of an altar boy accused of butchering the archbishop of Chicago. But the description sounds so close to the image many have of Gere that at first it's hard to tell if he's being genuine.

He is.

"I like the guy," he continues. "All that cynicism is merely masking vulnerability and pain. He's fragile because he is being so passionate."

Could this be a personal insight? What lies at the heart of Richard Gere? Twenty years ago, the actor built his notoriety on the looks of Adonis and the charms of Narcissus. He has never denied his powerful sexual presence, whether as the psychotic bar-cruiser of "Looking for Mr. Goodbar," the nihilistic boy-for-hire in "American Gigolo" or the cocky naval recruit in "An Officer and a Gentleman."

Debora DiPaolo/The Washington Post
Richard Gere: Weighing the relativity of truth.

As he has reached his middle years, Gere still seems unable to break out of that mold, to create a cinematic image equal to the complexity that comes with age and the higher consciousness he claims to have found. In the 1980s he drifted in a series of undistinguished roles; in the 1990s he has won top billing in roles that often find him — as in "Primal Fear" — playing an older version of the hard-bitten cynic audiences saw before.

Gere wants to talk about ideas. "In terms of the film, I liked the themes. It's all about power, how it shifts. Literally everyone in the film is playing a role" — he stops to avoid revealing the plot. The film is a clever courtroom drama that explores self-deception vs. willful deception and image vs. reality. "There is no definitive truth," he says. "It's a relative construct. You can make it even larger — make it about reality, the illusion of reality, that things exist in a permanent way. Any philosophical system has to deal with that.

"Things have no definite existence. Things are just energy," he says, resting his head on the back of the chair. "Defining even that becomes elusive."

Gere may prefer to talk about the metaphysical, but there is no avoiding his own imposing physicality. His hair is a magnificent shag of silver. At 46 he has lost the taut gymnast's build of "American Gigolo" — the physique that, his sister Joanne Gere Rein says, had girls "diving at him from across the street" in Syracuse, New York, where they grew up. But he has not lost the knowing taunt of his eyes or the unconscious machismo of his walk. There is something carnal about the man.

Gere played the field plenty in his youth, but by 1992 he seemed ready to settle down when he married the supermodel Cindy Crawford. Things didn't work out; he was busy, she was busier. They shopped for a house — separately. They went to India together; Buddhism wasn't her thing.

By 1994, rumors of the couple's demise were circulating, and some of the gossip press suggested that it was a marriage of convenience. (Rumors that Gere is gay have followed him since his critically acclaimed 1978 performance in "Bent," a play about a homosexual trying to survive in a Nazi concentration camp.) Paparazzi caught Gere's new girlfriend, Laura Bailey, sneaking out of his flat in London, where he was shooting "First Knight."

In May, Gere and Crawford took out a full-page ad in The London Times, affirming their love, their commitment and their heterosexuality. By December they had announced their official split.

Not surprisingly, this is a subject Gere won't talk about. The divorce is behind him; the couple's $5 million Bel-Air home has been sold. He is seeing actress Cary Lowell and working on healing.

"I'm getting over it," he says edgily. "In general I'm pretty good."

Any regrets?

He sighs. "I don't regret anything. Everything happens for a reason — it's part of the healing process. Life is a healing process."

POSTCARD

Along the Quiet Don, There Is a Cossack Revival

By Michael R. Gordon
New York Times Service

NOVOCHERKASSK, Russia — Wearing his camouflage uniform and black army hat, Slava Ilyin lined up in parade formation. After snapping a smart salute at the morning roll call and saying his prayers, the 13-year-old cadet marched back to school for a full academic regimen. But Slava prefers some of the extracurricular activities. "I like to take apart the Kalashnikov," he said.

With the blessing of President Boris Yeltsin, a Cossack revival is proceeding apace in this region along the Don River that for centuries was a bastion of Cossack culture.

During seven decades of communist rule, the Cossacks, descendants of Tatars and escaped serfs, were suppressed. Some were jailed or executed. Their lands were confiscated. Their uniforms were banned. The Cossack school here was shut down. But now, Cossacks strut around in full military regalia, complete with sheepskin hats, riding boots, and sabers. The czarist Romanov flag, a symbol of the Cossacks' longing for prerevolutionary days, is on conspicuous display.

All of this has made Cossack leaders here strong foes of the Communists and unabashed supporters of Yeltsin as he runs for re-election.

For the resurgent Cossacks, the future is in essence the rediscovery of the prerevolutionary past when the czar was the czar, Russia was an empire, and communism was just an obscure political movement. They are not only trying to revive their traditions, but they are also moving to institutionalize them and pass them on to a new generation, like the 158 cadets at the school here.

The Cossacks served as peasant warriors for the czar, extending the Russian empire and defending the Orthodox faith. In return, they received lands on which to settle. They were also memorialized by Russia's greatest writers as a band of accomplished horsemen who lived a life of adventure, an image nurtured by the new generation of Cossacks.

But the new Cossacks pass over the dark side of their warrior ancestry: intolerance, violence, and their role in leading pogroms against the Jews. It was the Cossack association with the czars and their decision to fight the Bolsheviks that earned them the enmity of the communist state. But the collapse of the Soviet Union opened the way for a Cossack revival.

PEOPLE

BRITAIN'S Prince Edward says the Duke and Duchess of Windsor, who were banished from royal circles after the 1936 abdication, were harshly treated. The comments by Queen Elizabeth II's youngest son seemed likely to reopen a 60-year-old family feud over Wallis Warfield Simpson, the divorced American for whom King Edward VIII gave up his throne. The former king became Duke of Windsor. Marriage made Mrs. Simpson his duchess but she was not allowed to match his rank by being called "Her Royal Highness," a distinction that weighs heavily with the royals. "For him the issue of the title was very important. He desperately wanted her to be his equal," the prince said. "I think it was possibly stretching it a bit to prevent the duchess from having the title," he told the Daily Mail.

□

A former girlfriend of the 1960s rock guitarist Jimi Hendrix was found dead Friday, the police said. Monica Danneman, 50, a German artist, was discovered in a fume-filled car near her home in Seaford, Sussex, in southern England. The police called the death a suicide. Danneman was convicted of contempt of court Wednesday in a case involving a 26-year feud with a rival for Hendrix's affections. Despite demands by the plaintiff, Kathy Etchingham, that she be jailed, the judge released her. The court agreed Danneman had breached an undertaking not to repeat an allegation about Etchingham's truthfulness. The undertaking was part of the settlement of a libel action over Danneman's memoirs, "The Inner Life of Jimi Hendrix." Each woman had claimed to tend the flame of the legends surrounding the left-handed guitarist, singer and songwriter, famous for his virtuoso technique in which he played upside down or with his teeth.

□

A spokesman for Jacques Cousteau said that negotiations were still under way with his son, Jean-Michel Cousteau, over use of the Cousteau name at a hotel development in Fiji.

□

The tenors José Carreras and Placido Domingo have pledged to shave their beards — cultivated for their current roles of, respectively, Samson and Othello — for a $10 million concert in Budapest in July.

□

To promote the new album by his rock group Z, Dweezil Zappa, son of the late Frank Zappa, decided to do a real bad job. He recruited some famous friends, including the model Cindy Crawford and the actors Ellen DeGeneres, Rosanna Arquette and Robert Wagner to give testimonials for "Music for Pets" that were purposely pathetic. "I invited some friends to help me promote the record by way of a cheesy infomercial-style ad," Zappa said. "I'm a fan of bad TV, so it was fun to make." Wagner appears with his horses and says, "My horses have listened to music all their lives, but they've never heard anything like 'Music for Pets.'" Crawford, shown with a puppy on her lap, says, "Finally, an album for both of us."

□

The three remaining Beatles have turned down a $500 million offer for an easy day's work — a 20-minute concert at Shea Stadium in New York. "The Beatles aren't interested," Paul McCartney's office said. "Money is not an issue. We wouldn't do it for twice as much. The answer is no."

□

Jean-Pierre Brossmann, director of the Opéra National de Lyon, has been named director of Paris's Théâtre du Châtelet. He succeeds Stéphane Lissner, effective in 1998. At the same time, the American conductor Kent Nagano, Lyon's music director, said he would not seek to extend his contract when it terminates in the same year.

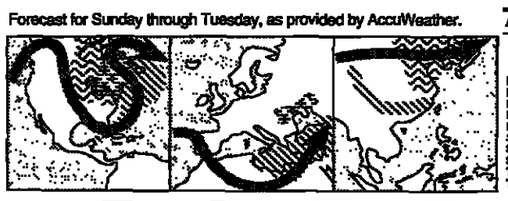
□

A Los Angeles judge ordered Tupac Shakur, 24, to jail for violating his probation, then said the rapper can remain free pending appeal. "What really scares me is the prosecutor's zeal to get me in prison," Shakur said. The judge ordered Shakur to spend four months in jail, citing probation violations in Los Angeles and New York that involved, among other things, carrying a concealed 9mm pistol and sexual abuse. The judge also fined Shakur $1,000 and ordered him to begin serving the term June 7.

Bobby Sanchez/The Associated Press
WHO IS THAT MAN? — A double for Arnold Schwarzenegger flies off a pier in St. Petersburg, Florida, in a scene from the latest "Terminator" film.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



North America
A major winter storm will cause widespread travel problems along the East Coast and as far west as Toronto and Cleveland over the holiday weekend. Even Chicago may get some snow. The West will be tranquil, but patchy fog may blanket Salt Lake City and Portland.

Europe
London and Paris will have scattered showers on Sunday. Dry weather will return to London early next week, but showers may linger near Paris. Amsterdam may have a few showers. Dry weather is expected in Madrid and Lisbon, but Rome may have a period or two of rain.

Asia
Cold, but mainly dry through early next week from Beijing through Seoul to Tokyo and Osaka. Turning rather cool in Shanghai with rain at times. Warm and humid in Hong Kong with a few showers. Hot and humid in Singapore with scattered thunderstorms.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Algarve	19/66	11/52 pc	19/66	11/52 pc
Amsterdam	10/50	2/35 pc	11/52	4/39 pc
Antiers	18/64	4/39 c	20/68	6/43 sh
Athens	19/66	11/52 sh	19/66	12/53 c
Barcelona	17/62	9/48 pc	17/62	11/52 pc
Belgrade	18/61	5/41 sh	16/61	7/44 c
Berlin	8/46	3/37 c	13/55	5/41 pc
Brussels	12/53	3/37 pc	13/55	4/39 pc
Budapest	16/61	6/43 pc	16/61	7/44 pc
Copenhagen	11/52	4/39 pc	12/53	5/41 pc
Costa Del Sol	21/70	12/53 pc	20/68	12/53 pc
Dublin	14/57	6/43 c	14/57	6/43 sh
Edinburgh	12/53	7/44 pc	12/53	7/44 pc
Florence	15/59	4/39 c	16/61	5/41 c
Frankfurt	11/52	3/37 pc	13/55	4/39 pc
Geneva	14/57	3/37 pc	14/57	4/39 pc
Helsinki	7/44	2/35 pc	6/46	4/39 pc
Istanbul	17/62	6/43 sh	18/64	8/46 sh
Las Palmas	22/71	17/62 s	23/73	18/64 s
Lisbon	18/64	11/52 pc	17/62	11/52 pc
London	11/52	1/34 pc	15/61	7/44 pc
Madrid	18/64	4/39 sh	18/64	5/41 pc
Milan	16/61	4/39 c	16/61	5/43 c
Moscow	14/57	6/43 pc	14/57	7/44 pc
Munich	12/53	2/35 pc	13/55	3/37 pc
Nice	16/61	7/44 pc	16/61	8/46 pc
Oslo	9/48	0/32 s	12/53	4/39 pc
Mallorca	18/61	11/52 pc	18/61	12/53 pc
Paris	12/53	2/35 pc	14/57	5/41 pc
Prague	11/52	3/37 pc	13/55	4/39 pc
Reykjavik	2/35	0/32 sf	5/41	2/35 sn
Rome	10/50	4/39 pc	17/62	7/44 c
St. Petersburg	7/44	0/32 pc	9/48	4/39 pc
Stockholm	8/46	1/34 pc	9/48	3/37 pc
Strasbourg	13/55	2/35 pc	14/57	3/37 pc
Tallinn	8/43	2/35 pc	6/46	5/41 pc
Vaxjo	15/59	7/44 c	16/61	8/46 c
Vienna	11/52	5/41 c	14/57	6/43 pc
Warsaw	7/44	3/37 sh	17/62	7/44 pc
Zurich	14/57	4/39 pc	15/59	5/41 pc

Oceania

Auckland	19/66	13/55 r	19/66	13/55 pc
Sydney	24/75	17/62 c	24/75	18/61 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Bangkok	32/89	26/79 sh	33/91	26/79 c
Beijing	18/64	6/43 r	19/66	2/35 s
Hong Kong	19/66	13/55 sh	22/72	18/64 s
Manila	32/89	23/73 pc	33/91	24/75 pc
New Delhi	39/102	23/73 s	37/98	22/71 s
Seoul	14/57	2/35 s	14/57	4/39 c
Shanghai	17/62	12/53 s	19/66	12/53 r
Singapore	32/89	24/75 pc	33/91	24/75 pc
Taipei	18/66	14/57 sh	25/77	18/66 sh
Tokyo	13/55	4/39 pc	14/57	7/44 c

Latin America

Buenos Aires	24/75	22/71 sh	22/71	12/53 pc
Caracas	30/86	20/68 s	29/84	19/66 pc
Lima	23/73	18/64 pc	24/75	19/66 pc
Mexico City	24/75	11/52 s	24/75	10/50 pc
Rio de Janeiro	33/91	24/75 pc	35/95	24/75 pc
Santiago	19/61	7/44 pc	19/64	8/46 pc

North America

Anchorage	6/43	2/35 r	2/35	-7/20 pc
Atlanta	20/68	6/43 pc	16/61	7/44 r
Boston	8/46	0/32 pc	7/44	2/35 pc
Chicago	3/37	-4/25 pc	4/39	-4/25 pc
Denver	10/50	-1/31 c	10/50	1/34 s
Detroit	2/35	-4/25 pc	6/43	-2/27 pc
Honolulu	28/82	21/70 pc	29/84	22/71 pc
Houston	18/64	9/48 r	17/62	7/44 r
Los Angeles	23/82	11/52 s	23/84	14/57 s
Miami	28/82	20/68 s	28/82	19/66 pc
Minneapolis	2/35	-6/22 pc	5/41	-7/20 pc
Montreal	2/35	-8/18 c	2/35	-3/27 pc
Nassau	29/82	21/70 pc	29/82	21/70 pc
New York	8/46	1/34 r	8/46	1/34 pc
Phoenix	30/86	14/57 s	28/82	15/59 s
San Fran.	24/75	11/52 s	24/75	11/52 s
Seattle	19/66	9/48 pc	18/64	8/46 pc
Toronto	3/37	-6/22 pc	2/35	-3/27 pc
Vancouver	17/62	12/53 pc	18/64	13/55 pc
Washington	12/53	2/35 pc	10/50	1/34 pc

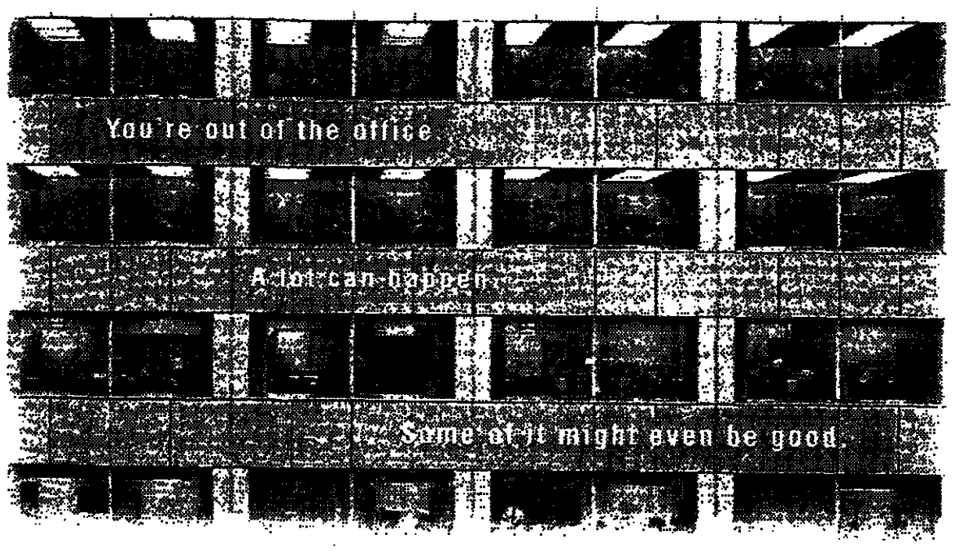
Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Abu Dhabi	35/79	17/62 pc	28/82	18/61 s
Beirut	20/78	15/59 s	22/71	14/57 s
Cairo	32/89	12/53 s	28/82	13/55 s
Damascus	27/80	9/48 s	24/75	9/48 s
Jerusalem	25/77	13/53 s	23/71	11/52 s
Luxor	41/105	19/64 s	44/111	17/62 s
Riyadh	25/77	15/61 pc	30/86	15/61 pc

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Algiers	18/64	14/57 r	18/64	12/53 pc
Cape Town	29/79	16/68 s	23/73	13/55 s
Casablanca	17/62	11/52 c	17/62	13/55 c
Harare	23/73	8/46 s	25/77	10/50 s
Lagos	32/89	26/79 pc	32/89	26/79 pc
Nairobi	21/70	14/57 c	21/70	14/57 t
Tunis	20/68	13/55 pc	20/68	10/50 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hos, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. ©1996



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EUROPE	
Armenia*†	8014111
Austria*††	022-903-011
Belgium*	0-800-100-10
Bosnia†	00-800-0018
Bulgaria◆	00-800-0010
Croatia◆	99-385-0111
Czech Republic*	00-42-000-101
Denmark	8001-0010
Finland*	9800-100-10
France	19-0011
Germany	0130-0010
Greece*	00-800-1311
Hungary*	000800-01111
Iceland*	800 9001
Ireland	1-800-550-000
Italy*	172-1011
Lithuania◆	80196
Luxembourg	0-800-0111
Macedonia, F.Y.R.*††	99-800-4288
Monaco*	19-0011
Netherlands*	06-022-9111
Norway	800-190-11
Poland†*	00-8-800-111-1111
Portugal†	05017-1-288
Romania*	01-800-4288
Russia*† (Moscow)	155-5042
Slovak Rep.*†	00-42-800-101
Spain*	900-99-00-11
Sweden	020-795-611
Switzerland*	0-800-550011
Turkey*	00-800-12277
Ukraine†	80100-11
United Kingdom	0500-89-0011

MIDDLE EAST	
Bahrain ■	800-001
Cyprus* ■	800-90010
Egypt* (Cairo)†	510-0200
Israel	177-100-2727
Jordan ■	18 800 000
Kuwait ■	800-288
Lebanon (Beirut)*†† ■	426-801
Qatar ■	0800-011-77
Saudi Arabia ■	1-800-10
Syria	0-801
U. Arab Emirates*■	800-121

AFRICA	
Gabon*	800-001
Gambia*	00111
Ghana	0191
Ivory Coast*	00-111-11
Kenya†	0800-10
Liberia	797-797
Morocco ■	002-11-0011
Sierra Leone	1100
South Africa	0-800-99-0123
Zambia◆	00-899
Zimbabwe†	110-890

AMERICAS	
Argentina◆	001-800-200-1111
Bolivia*	0-800-1112
Brazil	000-8010
Canada ■	1-800-225-5288
Chile	800-800-311
Colombia	980-11-0010
Costa Rica*	0-800-0-114-114
Ecuador*	999-119
El Salvador*††	800-1785
Guatemala††	190
Mexico◆◆◆	95-800-462-4240
Nicaragua◆	174
Panama*	109
Peru†*	171
Venezuela	800-11-120

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